BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

JUNE 30, 2026

C O N T E N T S

	PAGE
INDEPENDENT AUDITORS' REPORT	1 – 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 – 15
BASIC FINANCIAL STATEMENTS	
Statement of net position	16
Statement of activities and change in net position	17
Balance sheet – governmental funds	18
Reconciliation of governmental funds balance sheet to statement of net position	19
Statement of revenues, expenditures and changes in fund balances – governmental funds	20
Reconciliation of governmental funds statement of revenues, expenditures and changes in fund balances to statement of activities	21
Statement of fiduciary net position and statement of changes in fiduciary net position	22
NOTES TO BASIC FINANCIAL STATEMENTS	23 – 51
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of revenues, expenditures and changes in fund balance – budget (Non-GAAP basis) and actual – general fund	52 – 53
Notes to schedule of revenues, expenditures and changes in fund balance – budget (Non-GAAP basis) and actual – general fund	54 – 60
Schedule of funding progress – changes in total other post-employment benefits liability and related ratios	61
Schedule of the local government's proportionate share of the net pension liability	62
Schedule of local government contributions	63
SUPPLEMENTARY INFORMATION	
Schedule of change from adopted budget to final budget – general fund	64
Section 1318 of real property tax law limit calculation	64
Schedule of capital projects fund – project expenditures and financing resources	65
Net investment in capital assets	66
OTHER REPORTS	
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 Go*vernment Auditing Standards*	67 – 68
EXTRACLASSROOM ACTIVITY FUNDS	
Independent auditors' report	70 – 71
Statement of assets and liabilities arising from cash transactions	72
Statement of revenues collected and expenses paid	73 – 74
Notes to financial statements	75
MANAGEMENT LETTER	76 – 77

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INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Broadalbin-Perth Central School District
Broadalbin, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Broadalbin-Perth 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 15 and 52 through 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information on pages 64 through 66 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2026

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2026. This section is a summary of the School District's financial activities based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's basic financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements are *District-wide* financial statements that provide both short-term and long-term information about the School District's overall financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the School District, reporting the School District's operations in more detail than the District-wide statements.

The *governmental funds statements* tell how basic services such as general and special education were financed in the short-term, as well as what remains for future spending.

Fiduciary funds statements provide information about the financial relationships, in which the School District acts solely as a custodian for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Table A-1 summarizes the major features of the School District's basic financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Table A-1 Major Features of the District-wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as instruction, special education and building maintenance	Instances in which the School District administers resources on behalf of someone else
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any), both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax base and the condition of buildings and other facilities should be considered.

In the District-wide financial statements, the School District's activities are shown as *governmental activities*. Most of the School District's basic services are included here, such as general and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.

- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs.

  Because this information does not encompass the additional long-term focus of the District-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balances.

- Fiduciary Fund: The School District is the custodian for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL SUMMARY

Table A-2

Condensed Statement of Net Position

	Fiscal Year 2026	Fiscal Year 2025	Percentage Change (Incr.;-Decr.)
Assets			
Current and other assets	$ 29,388,623	$ 25,980,902	13.1%
Capital assets	94,248,346	86,477,004	9.0%
Total Assets	123,636,969	112,457,906	9.9%
Deferred Outflows of Resources			
Other post-employment benefits	3,627,440	4,046,600	-10.4%
Pensions	6,494,813	6,362,628	2.1%
Total Assets and Deferred Outflows of Resources	133,759,222	122,867,134	8.9%
Liabilities			
Current liabilities	32,772,473	19,725,684	66.1%
Long-term liabilities	54,412,927	54,174,461	0.4%
Total Liabilities	87,185,400	73,900,145	18.0%
Deferred Inflows of Resources			
Other post-employment benefits	14,264,190	19,576,660	-27.1%
Pensions	5,067,131	3,016,808	68.0%
Total Liabilities and Deferred Inflows of Resources	106,516,721	96,493,613	10.4%
Net Position			
Net investment in capital assets	57,821,780	59,143,785	-2.2%
Restricted	2,162,579	2,095,926	3.2%
Unrestricted	(32,741,858)	(34,866,190)	6.1%
Total Net Position	$ 27,242,501	$ 26,373,521	3.3%

Table A-3

Changes in Net Position from Operating Results

	Fiscal Year 2026	Fiscal Year 2025	Percentage Change (Incr.;-Decr.)
Revenues			
Program Revenues			
Charges for services	$ 815,017	$ 734,297	11.0%
Operating grants and contributions	2,619,332	2,389,129	9.6%
General Revenues			
Property taxes	17,193,370	16,760,884	2.6%
State formula aid	20,882,631	20,604,210	1.4%
Federal sources	78,184	90,795	-13.9%
Use of money and property	602,620	435,353	38.4%
Sale of property and compensation for loss	35,754	23,101	54.8%
Miscellaneous	2,742,646	1,505,118	82.2%
Total Revenues	44,969,554	42,542,887	5.7%
Expenses			
General support	8,617,703	8,559,685	0.7%
Instruction	29,513,380	30,339,140	-2.7%
Transportation	3,183,286	3,064,687	3.9%
Community service	14,647	1,747	738.4%
Debt service	1,610,076	1,129,529	42.5%
Cost of sales – Lunch Program	1,160,444	949,492	22.2%
Total Expenses	44,099,536	44,044,280	0.1%
Increase (Decrease) in Net Position from Operations	870,018	(1,501,393)	157.9%
Other Changes in Net Position	(1,038)	(143,825)	99.3%
Total Increase (Decrease) in Net Position	$ 868,980	$ (1,645,218)	152.8%

Table A-4 – Revenue Sources for 2026 – Total Governmental Activities

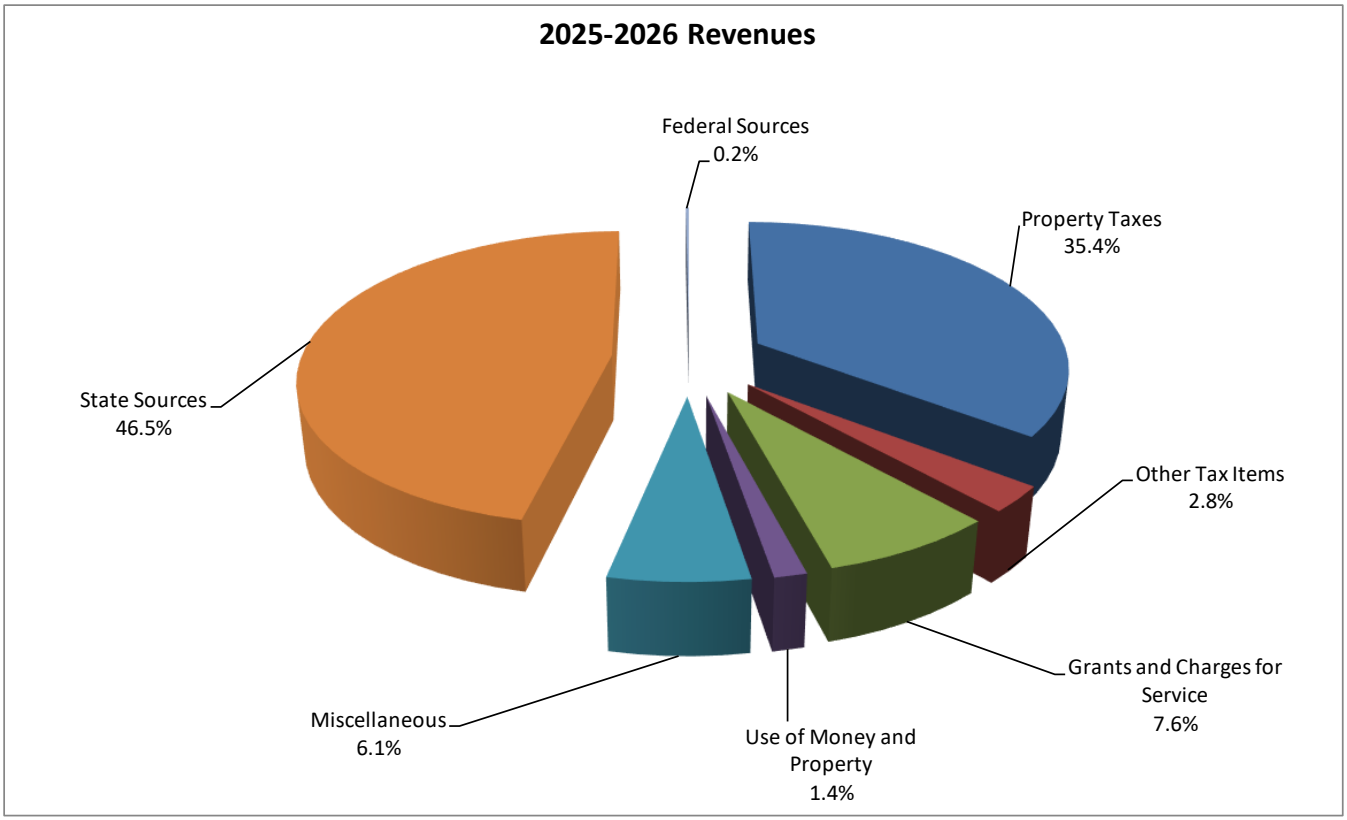


Table A-5 – Expenses for 2026 - Total Governmental Activities

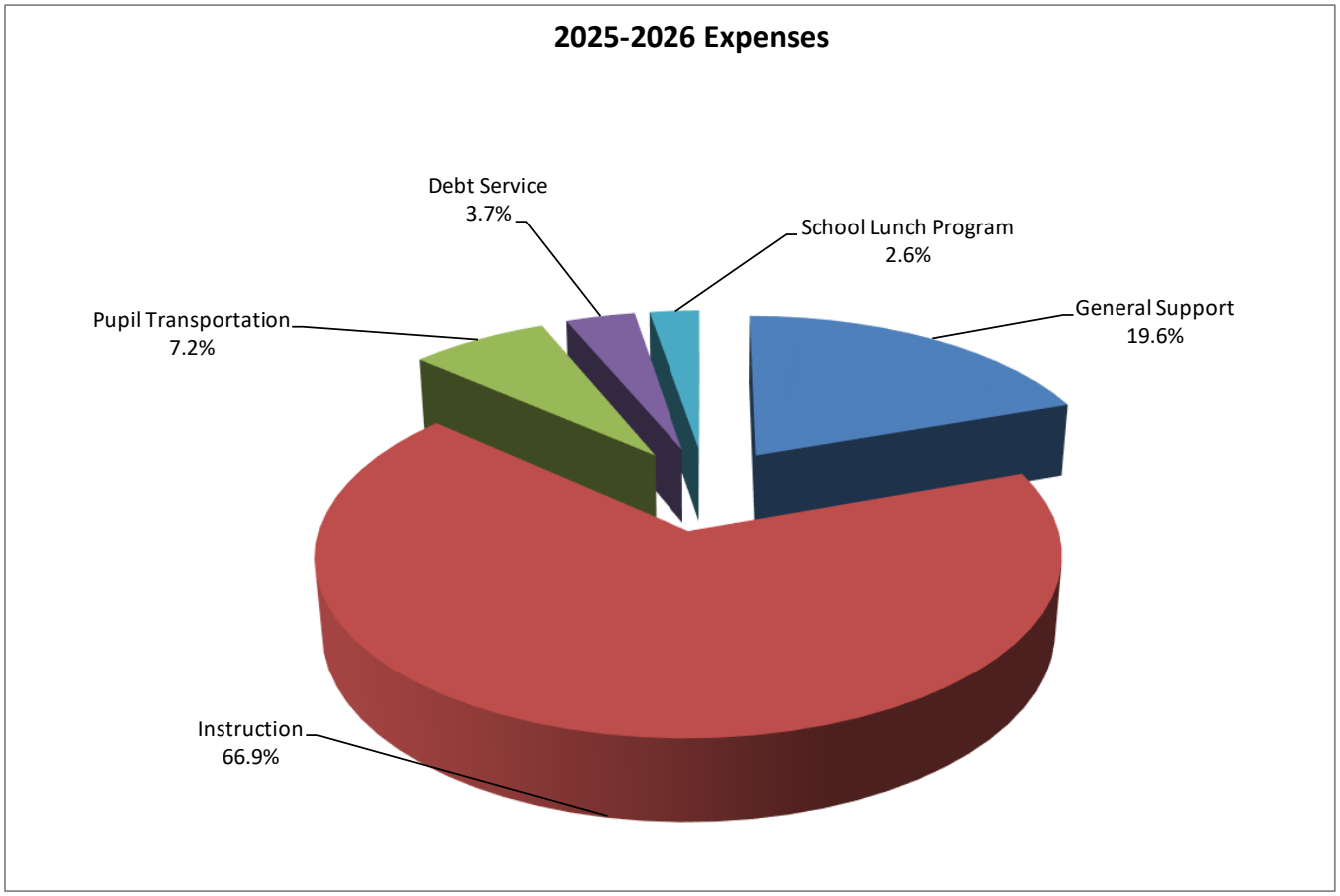


Table A-6 presents the cost of several of the School District's major activities. The table also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-6

Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2026	2025	(Incr.; -Decr.)	2026	2025	(Incr.; -Decr.)
General support	$ 8,617,703	$ 8,559,685	0.7%	$ 8,617,703	$ 8,559,685	0.7%
Instruction	29,513,380	30,339,140	-2.7%	27,114,749	27,919,288	-2.9%
Pupil transportation	3,183,286	3,064,687	3.9%	3,183,286	3,064,687	3.9%
Community service	14,647	1,747	738.4%	14,647	1,747	738.4%
Debt service - interest	1,610,076	1,129,529	42.5%	1,610,076	1,129,529	42.5%
Cost of sales - lunch program	1,160,444	949,492	22.2%	124,726	245,918	-49.3%
Totals	$ 44,099,536	$ 44,044,280		$ 40,665,187	$ 40,920,854	

DETAILED ANALYSES

Governmental Activities Overall

The School District's 2026 revenue was $44,969,554 an increase of $2,426,667 and 5.7%. The increase was primarily due to an increase in miscellaneous revenues and property taxes. Property taxes and New York State aid accounted for the majority of revenue by contributing 35.4% and 46.5% of the total revenue raised. The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The cost of all programs and services totaled $44,099,536 for 2026. This was an increase of $55,256 and 0.1% over prior year. An increase in debt service and cost of sales – lunch program expenses was offset by a decrease in instruction expenses. In 2026 and 2025, 74.1% and 75.9% of expenses are for the education, supervision, and transportation of students, respectively.

Net position was $27,242,501 as of June 30, 2026, which was an increase of $868,980 and 3.3% over the prior year.

General Fund

Assets in the General Fund were $6,388,048 and $8,298,226 for the fiscal years ended 2026 and 2025, respectively. The decrease of $1,910,178, or 23%, was primarily attributable to a $3,591,405 reduction in unrestricted cash as the District utilized available General Fund resources to support operations during the year. The reduction in cash was partially offset by increases in amounts due from other funds and State and Federal aid receivables. State and Federal aid receivables increased by approximately $1.2 million, reflecting the timing of aid payments and amounts earned but not yet received at year-end.

Liabilities in the General Fund were $2,391,991 and $2,416,611 for the fiscal years ended 2026 and 2025, respectively. The decrease of $24,620, or 1%, was due to lower accounts payable at the end of 2026.

Fund Balance in the General Fund was $3,996,057 and $5,881,615 for the fiscal years ended 2026 and 2025, respectively. The decrease of $1,885,558, or 32%, reflects the planned use of General Fund resources to support the 2025-2026 expenditure plan. The District's 2025-26 budget included $3,178,270 in assigned fund balance as a financing source. Actual expenditures exceeded revenues by $2,414,854; however, net other financing sources partially offset this operating deficit, resulting in an overall decrease in General Fund balance of $1,885,558 for the year. State Aid revenues were also lower than originally anticipated due to differences between estimates available during budget development and subsequent aid calculations, as well as the timing of certain aidable expenditures, including a planned bus purchase that occurred later than anticipated due to bus availability.

Revenues in the General Fund were $39,914,388 and $39,101,582 for the fiscal years ended 2026 and 2025, respectively. The increase of $812,806, or 2%, was due to higher property taxes and state aid.

Expenditures in the General Fund were $42,329,242 and $40,152,002 for the fiscal years ended 2026 and 2025, respectively. The increase of $2,177,240, or 5%, was due to higher central services, instruction and employee benefits expenses.

Special Aid Fund

Assets in the Special Aid Fund were $1,053,794 and $628,165 for the fiscal years ended 2026 and 2025, respectively. The increase of $425,629, or 67.8%, primarily reflects the timing of grant reimbursements at year-end. Grant expenditures are initially supported through advances from the General Fund while the District awaits reimbursement from State and Federal sources. Accordingly, the Special Aid Fund reported increased State and Federal aid receivables with a corresponding increase in amounts due to the General Fund.

Liabilities in the Special Aid Fund were $1,053,794 and $628,165 for the fiscal years ended 2026 and 2025, respectively. The increase of $425,629, or 67.8%, corresponds with the increase in year-end grant receivables and amounts due to the General Fund while reimbursement from State and Federal sources was pending.

Fund Balance in the Special Aid Fund was $-0- for the fiscal years ended 2026 and 2025. There was no year-over-year change.

Revenues in the Special Aid Fund were $1,628,919 and $1,854,179 for the fiscal years ended 2026 and 2025, respectively. The decrease of $225,260, or 12.1%, was primarily attributable to reductions in the District's Title grant allocations and lower Pre-K funding associated with enrollment-based allocations.

Expenditures in the Special Aid Fund were $1,658,585 and $1,938,894 for the fiscal years ended 2026 and 2025, respectively. The decrease of $280,309, or 14.5%, corresponds primarily with reductions in available Title grant funding and Pre-K enrollment-based allocations.

School Lunch Fund

Assets in the School Lunch Fund were $202,685 and $228,597 for the fiscal years ended 2026 and 2025, respectively. The decrease of $25,912, or 11.3%, reflects the use of available School Lunch Fund resources to support program operations and related expenditures during the year.

Liabilities in the School Lunch Fund were $10,331 and $21,684 for the fiscal years ended 2026 and 2025, respectively. The decrease of $11,353, or 52.4%, reflects lower year-end obligations outstanding in the Fund.

Fund Balance in the School Lunch Fund was $192,354 and $206,913 for the fiscal years ended 2026 and 2025, respectively. The decrease of $14,559, or 7.0%, was due to expenses exceeding revenues in this fund for the year.

Revenues in the School Lunch Fund were $1,091,235 and $745,680 for the fiscal years ended 2026 and 2025, respectively. The increase of $345,555, or 46.3%, was primarily attributable to increased State and Federal meal reimbursements following implementation of the National School Lunch Program at both campuses and the District's operation under the Community Eligibility Provision (CEP). The transition increased the number of reimbursable meals served and shifted the Fund's revenue structure away from direct student meal sales toward State and Federal reimbursement. The increased reimbursements also eliminated the need for the $25,000 General Fund subsidy budgeted for the year.

Expenditures in the School Lunch Fund were $1,105,794 and $846,872 for the fiscal years ended 2026 and 2025, respectively. The increase of $258,922, or 30.6%, reflects the increased volume of meals served under the National School Lunch Program and CEP, including the related increase in food and other program operating costs. Costs associated with non-program meals and events are reimbursed to the School Lunch Fund by the General Fund or applicable CM/club accounts.

Capital Fund

Assets in the Capital Fund were $15,317,085 and $13,469,733 for the fiscal years ended 2026 and 2025, respectively. The increase of $1,847,352, or 13.7%, reflects increased capital project activity and the timing of project financing and related receivables at year-end.

Liabilities in the Capital Fund were $27,500,000 and $14,150,000 for the fiscal years ended 2026 and 2025, respectively. The increase of $13,350,000, or 94.3%, was primarily attributable to financing associated with the District's ongoing capital improvement project, including the District's outstanding Bond Anticipation Note (BAN).

Fund Balance in the Capital Fund was $(12,182,915) and $(680,267) for the fiscal years ended 2026 and 2025, respectively. The decrease of $11,502,648, or 1,690.9%, reflects the timing of capital project expenditures and related financing. Capital project expenditures were incurred during the year while related financing remained reflected as a liability pending conversion to permanent financing.

Revenues in the Capital Fund were $529,028 and $133,769 for the fiscal years ended 2026 and 2025, respectively. The increase of $395,259, or 295.5%, reflects increased financing and other activity associated with the District's capital and transportation acquisitions, including interest earnings, a bond premium refund, and financing related to bus and equipment purchases.

Expenditures in the Capital Fund were $12,328,774 and $2,516,315 for the fiscal years ended 2026 and 2025, respectively. The increase of $9,812,459, or 390.0%, reflects the substantial increase in construction activity associated with the District's ongoing capital improvement project during 2025-2026.

Debt Service Fund

Assets in the Debt Service Fund were $1,055,928 and $989,275 for the fiscal years ended 2026 and 2025, respectively. The increase of $66,653, or 6.7%, was interest earned during the year.

Liabilities in the Debt Service Fund were $-0- for the fiscal years ended 2026 and 2025. There was no year-over-year change.

Fund Balance in the Debt Service Fund was $1,055,928 and $989,275 for the fiscal years ended 2026 and 2025, respectively. The increase of $66,653, or 6.7%, was due to interest earnings in 2025-2026.

Revenues in the Debt Service Fund were $66,653 and $74,774 for the fiscal years ended 2026 and 2025, respectively. The decrease of $8,121, or 10.9%, reflects normal year-to-year fluctuations in interest earnings on cash held in the Debt Service Fund.

Expenditures in the Debt Service Fund were $-0- for the fiscal years ended 2026 and 2025. There was no year-over-year change.

CM Misc. Special Revenue Fund

Assets in the CM Misc. Special Revenue Fund were $1,884,983 and $860,822 for the fiscal years ended 2026 and 2025, respectively. The increase of $1,024,161, or 119.0%, was primarily attributable to a $1,125,000 charitable contribution received from a solar company during the fiscal year. A substantial portion of the contribution remained available at year-end, resulting in increased cash and investment balances within the Fund.

Liabilities in the CM Misc. Special Revenue Fund were $12,210 and $-0- for the fiscal years ended 2026 and 2025, respectively. The increase represents accounts payable outstanding at year-end.

Fund Balance in the CM Misc. Special Revenue Fund was $1,872,773 and $860,822 for the fiscal years ended 2026 and 2025, respectively. The increase of $1,011,951, or 117.6%, was primarily attributable to the $1,125,000 charitable contribution received during the year, a substantial portion of which remained unspent at June 30, 2026.

Revenues in the CM Misc. Special Revenue Fund were $1,739,331 and $632,903 for the fiscal years ended 2026 and 2025, respectively. The increase of $1,106,428, or 174.8%, was primarily attributable to the $1,125,000 charitable contribution received from a solar company on May 18, 2026.

Expenditures in the CM Misc. Special Revenue Fund were $727,380 and $705,073 for the fiscal years ended 2026 and 2025, respectively. The increase of $22,307, or 3.2%, was due to higher educational contribution expenses.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

As of June 30, 2026, the School District had $94,248,346 (net of accumulated depreciation and amortization) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (Net of Depreciation and Amortization)

	Fiscal Year 2026	Fiscal Year 2025	Percentage Change
Land	$ 1,924,381	$ 1,924,381	0.0%
Buildings	74,175,811	77,848,150	-4.7%
Construction in progress	14,200,117	2,794,542	408.1%
Furniture and equipment	3,091,208	2,944,134	5.0%
Right to use assets	856,829	965,797	-11.3%
Totals	$ 94,248,346	$ 86,477,004	9.0%

The increase in construction in progress during 2025-2026 reflects continued activity associated with the District's ongoing capital improvement project. Major components include roof and window improvements, significant revitalization of the District's technology wing, improvements to the track and turf field, and construction of a bus washing station. Improvements to the technology wing include upgrades to air duct systems and development of instructional space supporting the District's skilled trades program. The project also includes improvements to the District's auditorium, including seating and overall space upgrades. Collectively, these projects represent significant investments in the District's facilities, instructional spaces, transportation infrastructure, and athletic facilities.

Long-Term Debt

As of June 30, 2026, the School District had $56,591,931 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding Long-Term Debt

	Fiscal Year 2026	Fiscal Year 2025	Percentage Change
General obligation bonds (financed with property taxes)	$ 24,212,378	$ 26,621,679	-9.1%
Other debt	32,379,553	28,817,819	12.4%
Totals	$ 56,591,931	$ 55,439,498	2.1%

During 2026, the School District reduced outstanding debt by retiring $2,915,000 of bonds, $18,001 of installment purchase debt, and $333,398 of lease liabilities. The District also issued a $566,486 Bond Anticipation Note (BAN) to finance its 2025-2026 transportation acquisition, consisting of three diesel school buses and transportation technology supporting implementation of the District's student ridership system. The BAN is expected to be converted to long-term bond financing. In addition, the District issued $45,401 in new installment purchase debt and $245,211 in new lease liabilities.

Other debt consists primarily of compensated absences and other post-employment benefit obligations. Other debt increased from $28,817,819 at June 30, 2025 to $32,379,553 at June 30, 2026, reflecting changes in the District's long-term employee benefit obligations, including its liability for post-employment health care benefits.

The debt limit for the District is 10% of the full value on the most recent tax roll. State building aid on the projects bonded may be deducted in computing the limit.

The District has a current Moody’s Bond Rating of A1/Stable.

Table A-9

Other Information

Broadalbin-Perth CSD’s enrollment for the past 5 years is as follows:

2021-2022	1,694
2022-2023	1,693
2023-2024	1,680
2024-2025	1,635
2025-2026	1,613

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The District's 2026-2027 General Fund budget includes the planned use of $2,428,866 in assigned fund balance, including $250,000 from the Debt Service Reserve, to support the expenditure plan and balance the General Fund budget. The planned use of fund balance represents a significant component of the District's financial plan and will continue to be monitored as actual revenues and expenditures develop during the year.

For 2026-2027, the District established its property tax levy at the allowable tax levy limit. This represents a change from the District's practice in several recent years of levying below the maximum amount permitted under the New York State Property Tax Cap. For example, in 2025-2026 the District's levy increased by approximately 2.8%, compared with a maximum allowable increase of approximately 7.1%, resulting in the District levying approximately $712,000 less than the maximum allowable amount. State Aid also continues to represent a significant component of the District's financial plan. Actual aid may differ from estimates available during budget development as a result of enacted State budget provisions, updated aid calculations, eligible expenditures, and the timing of aidable expenditures.

The District continues to experience increases in employee and retiree health insurance costs, with a significant increase affecting the 2026-2027 fiscal year. The District participates in the Capital Area Schools Health Insurance Consortium (CASHIC) and maintains reserves within the consortium to help mitigate significant year-to-year fluctuations in health insurance costs. In addition, the consortium has implemented cost-containment measures, including automatic rebates and utilization management strategies administered through Highmark. Despite these efforts, health insurance and other employee benefit costs remain significant components of the District's operating budget and will continue to be closely monitored.

Enrollment has declined from 1,694 students in 2021-2022 to 1,613 students in 2025-2026, a decrease of 81 students, or approximately 4.8%, over the five-year period. The District will continue to consider enrollment trends as part of future staffing, program, facility, and budget planning.

For 2026-2027, the District transitioned from a two-building budget structure to a four-building instructional structure consisting of Primary, Intermediate, Middle, and High School buildings. The 2026-2027 budget was developed before the building reconfiguration was fully implemented and, therefore, certain expenditures were originally budgeted based on the District's prior organizational structure. As the District implements the four-building model and more accurately identifies costs attributable to each building and program, actual expenditures and budget classifications may differ from the original budget. Management will continue to monitor these variances and make appropriate budget transfers and accounting adjustments during the fiscal year.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Broadalbin-Perth Central School District
Stephen Tomlinson - Superintendent
20 Pine Street
Broadalbin, NY 12025

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2026

ASSETS	
Cash	
Unrestricted	$ 18,852,582
Restricted	2,162,579
Receivables	
State and federal aid	3,627,150
Due from other governments	146,889
Other receivables	17,601
Inventories	10,655
Net pension asset - proportionate share	4,571,167
Right to use assets, net of amortization	856,829
Capital assets, net of depreciation	93,391,517
Total Assets	123,636,969
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	6,494,813
Other post-employment benefits	3,627,440
Total Deferred Outflows of Resources	10,122,253
LIABILITIES	
Payables	
Accounts payable	180,378
Accrued liabilities	158,793
Accrued interest payable	27,320
Unearned revenues	16,333
Due to custodial funds	16,554
Due to other governments	314
Bond anticipation notes payable	27,500,000
Long-term liabilities	
Due and payable within one year	
Due to Employees' Retirement System	203,918
Due to Teachers' Retirement System	1,779,649
Bonds payable	2,490,000
Installment purchase debt	31,618
Lease liability	340,650
Compensated absences payable	26,946
Due and payable after one year	
Bonds payable	20,836,486
Other post-employment benefits	32,042,733
Installment purchase debt	33,169
Lease liability	480,455
Net pension liability - proportionate share	710,210
Compensated absences payable	309,874
Total Liabilities	87,185,400
DEFERRED INFLOWS OF RESOURCES	
Other post-employment benefits	14,264,190
Pensions	5,067,131
Total Deferred Inflows of Resources	19,331,321
NET POSITION	
Net investment in capital assets	57,821,780
Restricted	
Employee benefit accrued liability reserve	121,965
Reserve for debt service	1,055,928
Retirement contribution reserve fund - TRS	248,732
Retirement contribution reserve fund - ERS	692,778
Unemployment insurance reserve	43,176
Unrestricted	(32,741,858)
Total Net Position	$ 27,242,501

See notes to basic financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 8,617,703	$ 0	$ 0	$ (8,617,703)
Instruction	29,513,380	(769,712)	(1,628,919)	(27,114,749)
Pupil transportation	3,183,286	0	0	(3,183,286)
Debt service	1,610,076	0	0	(1,610,076)
Community service	14,647	0	0	(14,647)
School lunch program	1,160,444	(45,305)	(990,413)	(124,726)
Total Functions and Programs	$ 44,099,536	$ (815,017)	$ (2,619,332)	(40,665,187)
GENERAL REVENUES				
Real property taxes				15,927,034
Other tax items				1,266,336
Use of money and property				602,620
Sale of property and compensation for loss				35,754
Miscellaneous				2,742,646
State sources				20,882,631
Federal sources				78,184
Total General Revenues				41,535,205
CHANGE IN NET POSITION				870,018
TOTAL NET POSITION - BEGINNING OF YEAR				26,373,521
OTHER CHANGE IN NET POSITION				(1,038)
TOTAL NET POSITION - END OF YEAR				$ 27,242,501

See notes to basic financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2026

	General	Special Aid	School Lunch	Debt Service	Capital	CM Misc. Special Revenue	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 1,590,898	$ 35,783	$ 55,106	$ 0	$ 15,285,812	$ 1,884,983	$ 18,852,582
Restricted	1,106,651	0	0	1,055,928	0	0	2,162,579
Due from other funds	1,053,794	0	0	0	31,273	0	1,085,067
State and federal aid receivable	2,474,065	1,018,011	135,074	0	0	0	3,627,150
Due from other governments	146,889	0	0	0	0	0	146,889
Other receivables	15,751	0	1,850	0	0	0	17,601
Inventories	0	0	10,655	0	0	0	10,655
TOTAL ASSETS	$ 6,388,048	$ 1,053,794	$ 202,685	$ 1,055,928	$ 15,317,085	$ 1,884,983	$ 25,902,523
LIABILITIES							
Accounts payable	$ 159,009	$ 0	$ 9,159	$ 0	$ 0	$ 12,210	$ 180,378
Accrued liabilities	157,935	0	858	0	0	0	158,793
Accrued interest payable	27,320	0	0	0	0	0	27,320
Unearned revenues	16,333	0	0	0	0	0	16,333
Due to other funds	31,273	1,053,794	0	0	0	0	1,085,067
Due to custodial funds	16,554	0	0	0	0	0	16,554
Bond anticipation notes payable	0	0	0	0	27,500,000	0	27,500,000
Due to other governments	0	0	314	0	0	0	314
Due to Employees' Retirement System	203,918	0	0	0	0	0	203,918
Due to Teachers' Retirement System	1,779,649	0	0	0	0	0	1,779,649
Total Liabilities	2,391,991	1,053,794	10,331	0	27,500,000	12,210	30,968,326
FUND BALANCE							
Nonspendable							
Inventory	0	0	10,655	0	0	0	10,655
Restricted							
Employee benefit accrued liability reserve	121,965	0	0	0	0	0	121,965
Reserve for debt service	0	0	0	1,055,928	0	0	1,055,928
Retirement contribution reserve fund - TRS	248,732	0	0	0	0	0	248,732
Retirement contribution reserve fund - ERS	692,778	0	0	0	0	0	692,778
Unemployment insurance reserve	43,176	0	0	0	0	0	43,176
Assigned	2,487,375	0	181,699	0	0	1,872,773	4,541,847
Unassigned	402,031	0	0	0	(12,182,915)	0	(11,780,884)
Total Fund Balance	3,996,057	0	192,354	1,055,928	(12,182,915)	1,872,773	(5,065,803)
TOTAL LIABILITIES AND FUND BALANCE	$ 6,388,048	$ 1,053,794	$ 202,685	$ 1,055,928	$ 15,317,085	$ 1,884,983	$ 25,902,523

See notes to basic financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2026

Total balance - governmental funds balance sheet (page 18)	$	(5,065,803)
Add:		
Pensions		5,288,639
Right to use assets, net of accumulated amortization		856,829
Land, building and equipment, net of accumulated depreciation		93,391,517
Total		99,536,985
Deduct:		
Compensated absences		336,820
Lease liability		821,105
Other post-employment benefits		42,679,483
Installment purchase debt		64,787
Bonds payable		23,326,486
Total		67,228,681
NET POSITION, GOVERNMENTAL ACTIVITIES	$	27,242,501

See notes to basic financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2026

	General	Special Aid	School Lunch	Debt Service	Capital	CM Misc. Special Revenue	Total Governmental Funds
REVENUES							
Real property taxes	$ 15,927,034	$ 0	$ 0	$ 0	$ 0	$ 0	$ 15,927,034
Other tax items	1,266,336	0	0	0	0	0	1,266,336
Charges for services	769,712	0	45,305	0	0	0	815,017
Use of money and property	285,539	0	1,029	66,653	233,191	16,208	602,620
Sale of property and compensation for loss	20,754	0	15,000	0	0	0	35,754
Miscellaneous	684,198	0	39,488	0	295,837	1,723,123	2,742,646
State sources	20,882,631	834,000	494,451	0	0	0	22,211,082
Federal sources	78,184	794,919	457,724	0	0	0	1,330,827
Surplus food	0	0	38,238	0	0	0	38,238
Total Revenues	39,914,388	1,628,919	1,091,235	66,653	529,028	1,739,331	44,969,554
EXPENDITURES							
General support	5,862,181	0	0	0	0	727,380	6,589,561
Instruction	20,433,573	1,493,638	0	0	0	0	21,927,211
Pupil transportation	2,314,644	50,405	0	0	0	0	2,365,049
Community service	14,647	0	0	0	0	0	14,647
Employee benefits	8,827,722	114,542	104,234	0	0	0	9,046,498
Debt service							
Principal	3,266,399	0	0	0	0	0	3,266,399
Interest	1,610,076	0	0	0	0	0	1,610,076
Cost of sales	0	0	1,001,560	0	0	0	1,001,560
Capital outlay	0	0	0	0	12,328,774	0	12,328,774
Total Expenditures	42,329,242	1,658,585	1,105,794	0	12,328,774	727,380	58,149,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,414,854)	(29,666)	(14,559)	66,653	(11,799,746)	1,011,951	(13,180,221)
OTHER FINANCING SOURCES AND USES							
Proceeds from debt	0	0	0	0	857,098	0	857,098
Operating transfers in	560,000	29,666	0	0	0	0	589,666
Operating transfers (out)	(29,666)	0	0	0	(560,000)	0	(589,666)
Total Other Financing Sources (Uses)	530,334	29,666	0	0	297,098	0	857,098
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	(1,884,520)	0	(14,559)	66,653	(11,502,648)	1,011,951	(12,323,123)
FUND BALANCE - BEGINNING OF YEAR	5,881,615	0	206,913	989,275	(680,267)	860,822	7,258,358
OTHER CHANGE IN FUND BALANCE	(1,038)	0	0	0	0	0	(1,038)
FUND BALANCE - END OF YEAR	$ 3,996,057	$ 0	$ 192,354	$1,055,928	$(12,182,915)	$ 1,872,773	$ (5,065,803)

See notes to basic financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2026

REVENUES - STATEMENT OF ACTIVITIES		$ 44,969,554
EXPENDITURES	$ 58,149,775	
Add:		
Depreciation and amortization	4,610,567	
Increase in compensated absences	14,552	
	4,625,119	
Deduct:		
Pensions	1,680,922	
Decrease in other post-employment benefits	1,346,128	
Change in fixed assets	12,381,909	
Principal payments of long-term debt	3,266,399	
	18,675,358	
EXPENDITURES - STATEMENT OF ACTIVITIES		44,099,536
CHANGE IN NET POSITION		$ 870,018

See notes to basic financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2026

	Custodial Funds
ASSETS	
Cash	$ 246,977
Due from governmental funds	16,554
Total Assets	$ 263,531
NET POSITION	
Restricted for health reimbursement accounts (HRA)	$ 263,531

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2026

	Custodial Funds
ADDITIONS	
Interest income	$ 8,863
HRA funding	46,163
Total Additions	55,026
DEDUCTIONS	
HRA expenditures	76,755
Total Deductions	76,755
CHANGE IN NET POSITION	(21,729)
NET POSITION - BEGINNING OF YEAR	285,260
NET POSITION - END OF YEAR	$ 263,531

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Broadalbin-Perth Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies used by the District are described below:

A) Reporting Entity

The Broadalbin-Perth Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief description of an entity included in the District's reporting entity.

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for these funds in the Miscellaneous Special Revenue Fund.

B) Joint Venture

The District is one of 15 component districts in the Hamilton, Fulton and Montgomery Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under Section 1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the New York State General Municipal Law.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B) Joint Venture – (Continued)

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $4,679,719 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued $-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of $-0-.

The District's share of BOCES aid amounted to $2,059,438.

Financial statements for the BOCES are available from the BOCES administrative office.

C) Basis of Presentation

1) District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2) Funds Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

C) Basis of Presentation – (Continued)

2) Funds Statements – (Continued)

The District reports the following major governmental funds:

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

Special Aid Funds – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund – This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted for expenditures of the school breakfast and lunch programs.

Capital Projects Fund – These funds are used to account for the financial resources used for acquisition, construction, or major repair of, or the right-to-use capital facilities and other capital and intangible assets.

Debt Service Fund – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital assets are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of the related bonds outstanding.

Miscellaneous Special Revenue Fund – Miscellaneous Special Revenue Fund is used to account for those revenues that are legally restricted expenditures for a specific purpose.

The District reports the following fiduciary funds:

Custodial Fund – Fiduciary activities are those in which the District acts as custodian for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District and are not available to be used.

D) Measurement Focus and Basis of Accounting

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D) Measurement Focus and Basis of Accounting – (Continued)

The governmental fund statements 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 the revenues are collected within 120 days after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, lease liabilities, claims and judgments, compensated absences, workers' compensation, pensions, and other-post employment benefits, which are recognized as expenditures to the extent they have matured. General capital assets and intangible lease assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Real Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

Uncollected real property taxes are subsequently enforced by the Counties of Fulton, Montgomery and Saratoga. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

F) Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G) Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (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 the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

H) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, pension costs, OPEB, workers' compensation liabilities, potential contingent liabilities and useful lives of capital assets and intangible lease assets.

I) Cash (and Cash Equivalents)/Investments

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

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC 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 Districts.

Investments are stated at fair value.

Certain cash balances are restricted by various legal and contractual obligations, such as legal reserves or debt agreements.

J) Accounts Receivable

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

K) Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U. S. Department of Agriculture, at the Government's assigned value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

K) Inventories and Prepaid Items – (Continued)

Prepaid items represent payments made by the District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amount is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these nonliquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L) Other Assets/Restricted Assets

In the District-wide financial statements, bond issuance costs are expensed when incurred. In the funds statements, these same costs are netted against bond proceeds and recognized in the period of issuance.

M) Capital Assets

Capital assets are reported at actual cost for acquisition subsequent to September 27, 2007. For assets acquired prior to September 27, 2007, estimated historical costs, based on appraisals conducted by third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	Straight-line	30
Furniture, equipment and vehicles	5,000	Straight-line	5-20

N) Intangible Lease Assets

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. The intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible assets reported in the district-wide financial statements follow the same thresholds as noted for capital assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O) Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and net pension asset (TRS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reporting in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
District's proportionate share of the net pension asset (liability)	$ (710,210)	$ 4,571,167
District's portion of the Plan's total net pension asset (liability)	0.0125885%	0.077202%
Change in proportion since the prior measurement date	0.0007431%	0.000353%

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O) Deferred Outflows and Inflows of Resources – (Continued)

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)

For the year ended June 30, 2026, the District recognized its proportionate share of pension expense of $761,791 for ERS and $(245,081) for TRS. At June 30, 2026, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 406,424	$ 2,396,311	$ 0	$ 0
Changes of assumptions	121,912	1,809,583	0	49,285
Net difference between projected and actual earnings on pension plan investments	0	0	1,273,446	3,570,070
Changes in proportion and differences between the District's contributions and proportionate share of contributions	163,453	27,201	41,511	132,819
District's contributions subsequent to the measurement date	203,918	1,366,011	0	0
Total	$ 895,707	$ 5,599,106	$ 1,314,957	$ 3,752,174

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended March 31, 2027 for ERS and June 30, 2027 for TRS. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended:	ERS	TRS
2027	$ 313,372	$ (999,585)
2028	(439,205)	(1,059,080)
2029	(227,652)	(231,638)
2030	(269,683)	388,101
2031	0	84,393
Thereafter	0	0

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O) Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions

The total pension asset (liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset (liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Interest rate	5.9%	6.95%
Salary scale	5.2%	2.04% – 5.80%
Decrement tables	April 1, 2020 - March 31, 2025 Systems experience	July 1, 2019 - June 30, 2024 Systems experience
Inflation rate	2.9%	2.5%
Projected cost of living adjustments	1.5%	1.4%

For ERS, annuitant mortality rates are based on April 1, 2020 through March 31, 2025 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O) Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions – (Continued)

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Asset type		
Domestic equity	3.29%	6.70%
International equity	5.85	7.40
Global equities	0	7.00
Real estate	5.20	6.50
Domestic fixed income securities	0	2.60
Global bonds	0	2.40
High-yield bonds	0	4.70
Real estate debt	0	3.80
Private debt	0	6.10
Fixed income	1.75	0
Credit	5.10	0
Private equity/alternative investments	7.00	9.80
Opportunistic/ARS portfolio	5.13	0
Cash	0.25	0.60
Real assets	5.54	0

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

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

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9% for ERS and 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

O) Deferred Outflows and Inflows of Resources – (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption – (Continued)

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset (liability)	$ (4,850,540)	$ (710,210)	$ 2,751,289

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	$ (8,783,555)	$ 4,571,167	$ 15,808,470

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (liability) of the employers as of the respective valuation dates were as follows:

	(Dollars in thousands)		
	ERS	TRS	Total
Measurement date	March 31, 2026	June 30, 2025	
Employers' total pension asset (liability)	$(253,773,040)	$(148,272,068)	$(402,045,108)
Plan fiduciary net position asset (liability)	248,131,290	154,193,125	402,324,415
Employers' net pension asset (liability)	(5,641,750)	5,921,057	279,307
Ratio of plan fiduciary net position to the employers' total pension asset (liability)	97.78%	104.0%	100.07%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $203,918.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2026 are paid to the System in September, October and November, 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2026 amount to $1,779,649.

Additional pension information can be found in Note 9.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

P) Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized. The District had $16,333 in unearned revenue at June 30, 2026.

Q) Compensated Absences

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

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

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

Consistent with GASB Statement 101, *Accounting for Compensated Absences*, the liability has been calculated using the more likely than not to be used as leave or settled at separation method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

R) Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

S) Short-Term Debt

The District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. BANs that are replaced with long-term financing or renewed subsequent to the year-end but before the issuance of the financial statements are treated as long-term liabilities, as these notes will not require the use of working capital during that period. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

T) Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

U) Equity Classifications

District-Wide Statements

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

i) Net Investment in Capital Assets

Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of, and the right-to-use assets, net of any unexpended proceeds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

U) Equity Classifications – (Continued)

District-Wide Statements – (Continued)

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

In the fund basis statements, there are five classifications of fund balance:

1. Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of $10,655.

2. Restricted

Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance.

The School District has established the following restricted fund balances:

Currently Utilized by the District:

Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service, must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund under Restricted Fund Balance.

NOTE 1 – SUMMARY OF SIGNIFICIANT ACCOUNTING POLICIES – (CONTINUED)

U) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Unemployment Insurance

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

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During the fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the General Fund under Restricted Fund Balance.

3. Committed

Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balance as of June 30, 2026.

NOTE 1 – SUMMARY OF SIGNIFICIANT ACCOUNTING POLICIES – (CONTINUED)

U) Equity Classifications – (Continued)

Funds Statements – (Continued)

4. Assigned

Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

5. Unassigned

Includes all other General Fund amounts that do not meet the definitions of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

V) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2026, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 103, *Financial Reporting Model Improvements,* effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also address certain application issues.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026. This statement's objective is to provide separate disclosure of lease assets, intangible right-to-use assets, subscription assets and capital assets held for sale.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

W) Future Changes in Accounting Standards

GASB has issued Statement No. 105, *Subsequent Events*, effective for the year ending June 30, 2027. This statement's objective is to improve financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of the financial statement users.

The School District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

A) Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets, as applied to the reporting of capital assets and deferred inflows of resources, and long-term assets and liabilities, and deferred outflows of resources.

B) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

i) Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities.

ii) Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the acquisition of capital items or financing of intangible lease assets in the fund statements and depreciation or amortization expense on those items as recorded in the Statement of Activities.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS – (CONTINUED)

B) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities – (Continued)

iii) Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds, but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal payments are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

iv) Pension Differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District's proportionate share of the collective pension expense of the plan.

v) OPEB Differences

OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for health insurance premiums and OPEB costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (CONTINUED)

Budgets – (Continued)

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

Capital Fund Deficit

The capital fund has a deficit fund balance of $12,182,915. This will be funded when the District obtains permanent financing for its current capital project.

NOTE 4 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these notes.

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	21,284,479

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $2,162,579 within the governmental funds and $246,977 within the custodial funds.

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2026, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 1,924,381	$ 0	$ 0	$ 1,924,381
Construction in progress	2,794,542	11,405,575	0	14,200,117
Total nondepreciable historical cost	4,718,923	11,405,575	0	16,124,498
Capital assets that are depreciated:				
Buildings	116,720,910	0	0	116,720,910
Furniture and equipment	6,644,820	811,303	571,645	6,884,478
Total depreciable historical cost	123,365,730	811,303	571,645	123,605,388
Less accumulated depreciation:				
Buildings	38,872,760	3,672,339	0	42,545,099
Furniture and equipment	3,700,686	604,830	512,246	3,793,270
Total accumulated depreciation	42,573,446	4,277,169	512,246	46,338,369
Net depreciable historical cost	80,792,284	(3,465,866)	59,399	77,267,019
Right to use assets that are amortized:				
Furniture and equipment	3,528,954	245,211	1,688,246	2,085,919
Less accumulated amortization:				
Furniture and equipment	2,563,157	333,398	1,667,465	1,229,090
Net amortizable historical cost	965,797	(88,187)	20,781	856,829
Total historical cost, net	$ 86,477,004	$ 7,851,522	$ 80,180	$ 94,248,346

Depreciation and amortization were allocated to the following programs as follows:

General support	$ 864,612
Instruction	3,234,041
Pupil transportation	348,821
School lunch program	163,093
Total	$ 4,610,567

NOTE 6 – SHORT-TERM DEBT

Interest paid on short-term debt for the year was $560,000.

Short-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN maturing 6/24/26, 4.00%	$ 14,000,000	$ 0	$ 14,000,000	$ 0
BAN maturing 6/23/27, 4.00%	0	27,500,000	0	27,500,000

NOTE 7 – LONG-TERM DEBT

Interest on long-term debt for the year was $1,050,076.

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation debt					
Serial bonds	$ 480,000	$ 0	$ 115,000	$ 365,000	$ 120,000
Serial bonds	6,150,000	0	670,000	5,480,000	695,000
Serial bonds	17,720,000	0	1,600,000	16,120,000	1,290,000
Serial bonds	140,000	0	140,000	0	0
Serial bonds	265,000	0	130,000	135,000	135,000
Serial bonds	400,000	0	140,000	260,000	125,000
Serial bonds	520,000	0	120,000	400,000	125,000
Serial bonds	0	566,486	0	566,486	0
Lease liability	909,292	245,211	333,398	821,105	340,650
Installment purchase debt	37,387	45,401	18,001	64,787	31,618
Total bonds and notes payable	26,621,679	857,098	3,266,399	24,212,378	2,862,268
Other liabilities:					
Other post-employment benefits	28,495,551	3,547,182	0	32,042,733	0
Compensated absences, net	322,268	14,552	0	336,820	26,946
Total other liabilities	28,817,819	3,561,734	0	32,379,553	26,946
TOTAL LONG-TERM LIABILITIES	$ 55,439,498	$ 4,418,832	$ 3,266,399	$ 56,591,931	$ 2,889,214

The current portion (amount due within one year) for other post-employment benefits as of June 30, 2026, was not determinable.

NOTE 7 – LONG-TERM DEBT – (CONTINUED)

The following is a summary of the maturity of long-term indebtedness:

Description of Issue	Serial Bond	Serial Bond	Serial Bond	Serial Bond
Issue date	2/25/2015	6/17/2020	6/16/2021	6/16/2026
Final maturity	6/15/2029	6/15/2034	6/15/2036	6/15/2031
Interest rate	2.440%	1.738%	2.123%	3.593%
Outstanding at year end	$ 365,000	$ 5,480,000	$ 16,120,000	$ 566,486

Description of Issue	Serial Bond	Serial Bond	Serial Bond
Issue date	8/11/2022	2/13/2024	12/18/2024
Final maturity	6/15/2027	6/15/2028	6/15/2029
Interest rate	2.990%	3.875%	3.849%
Outstanding at year end	$ 135,000	$ 260,000	$ 400,000

Description of Issue	Installment Purchase Debt Ford F-350	Installment Purchase Debt Tractor
Issue date	10/30/2024	5/4/2026
Final maturity	10/30/2027	5/4/2030
Interest rate	7.690%	6.250%
Outstanding at year end	$ 19,386	$ 45,401

	Principal	Interest	Total
Fiscal year ended June 30:			
2027	$ 2,521,618	$ 920,431	$ 3,442,049
2028	2,596,880	825,869	3,422,749
2029	2,561,043	724,773	3,285,816
2030	2,376,732	624,333	3,001,065
2031	2,460,000	529,875	2,989,875
2032 - 2036	10,875,000	1,232,000	12,107,000
Totals	$ 23,391,273	$ 4,857,281	$ 28,248,554

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

NOTE 7 – LONG-TERM DEBT – (CONTINUED)

The following is a summary of the maturity of leases:

Description of Issue	Lease - Copiers	Lease - Chromebooks	Lease - Faculty Laptops	Lease - Student Chromebooks
Issue date	5/22/2023	5/22/2023	5/29/2024	5/29/2024
Final maturity	4/28/2028	4/28/2027	4/15/2028	4/15/2028
Interest rate	4.350%	4.450%	5.180%	5.180%
Outstanding at year end	$ 79,129	$ 65,394	$ 116,673	$ 132,631

Description of Issue	Lease - Student Chromebooks	Lease - Student Chromebooks
Issue date	4/25/2025	4/23/2026
Final maturity	4/28/2029	4/15/2030
Interest rate	4.660%	4.730%
Outstanding at year end	$ 182,067	$ 245,211

	Principal	Interest	Total
Fiscal year ended June 30:			
2027	$ 340,650	$ 33,171	$ 373,821
2028	288,668	17,923	306,591
2029	126,146	6,855	133,001
2030	65,641	1,960	67,601
Totals	$ 821,105	$ 59,909	$ 881,014

NOTE 8 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 1,053,794	$ 47,827	$ 560,000	$ 29,666
Special Aid Fund	0	1,053,794	29,666	0
School Lunch Fund	0	0	0	0
Debt Service Fund	0	0	0	0
Capital Projects Fund	31,273	0	0	560,000
Misc. Special Revenue Fund	0	0	0	0
Total Governmental Activities	1,085,067	1,101,621	589,666	589,666
Custodial Funds	16,554	0	0	0
TOTALS	$ 1,101,621	$ 1,101,621	$ 589,666	$ 589,666

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

NOTE 9 – PENSION PLANS

General Information

The District participates in the New York State Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS). These are cost-sharing multiple-employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Office of the State Comptroller, 110 State Street, Albany, NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

NOTE 9 – PENSION PLANS – (CONTINUED)

Plan Descriptions and Benefits Provided: - (Continued)

Plan members who joined the system before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976 and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year. The District's contribution rate was 10.11% of covered payroll for the TRS' fiscal year ended June 30, 2025. The District's average contribution rate was 15.45% of covered payroll for the ERS' fiscal year ended March 31, 2026.

	NYSTRS	NYSERS
2025-2026	$ 1,366,011	$ 768,838
2024-2025	1,419,522	589,472
2023-2024	1,430,000	479,210

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2026 was $1,366,011 for the TRS at the contribution rate of 9.59% and $768,838 for the ERS at an average contribution rate of 15.45%.

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

Addition pension information can be found in Note 1 O.

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes, which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

General Information About the OPEB Plan: - (Continued)

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collected bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits Provided

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	141
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	286
Total	427

Net OPEB Liability:

The District's total OPEB liability of $32,042,733 was measured as of June 30, 2026, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs

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

Inflation	2.60%
Salary Increases	Varied by years of service and retirement system
Discount Rate	4.32%
Healthcare Cost Trend Rates	6.5% for 2026, decreasing to an ultimate rate of 4.04% by 2075

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2021.

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Changes in the Total OPEB Liability:

Balance at June 30, 2025	$ 28,495,551
Changes for the year:	
Service cost	867,164
Interest	1,386,783
Changes in benefit terms	0
Differences between expected and actual experience	114,655
Changes in assumptions or other inputs	2,254,126
Benefit payments	(1,075,546)
Net changes	3,547,182
Balance at June 30, 2026	$ 32,042,733

Assumption changes for this fiscal year were as follows:

- A change in the discount rate from 4.81% in 2025 to 4.32% in 2026.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.32%) or 1 percentage point higher (5.32%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 37,488,341	$ 32,042,733	$ 27,683,325

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5% decreasing to 3.04%) or 1 percentage point higher (7.5% decreasing to 5.04%) than the current healthcare cost trend rate:

	1% Decrease (5.5% Decreasing to 3.04%)	Healthcare Cost Trend Rates (6.5% Decreasing to 4.04%)	1% Increase (7.5% Decreasing to 5.04%)
Total OPEB Liability	$ 26,636,172	$ 32,042,733	$ 39,082,883

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

For the year ended June 30, 2026, the District recognized a negative OPEB expense of $1,346,128. At June 30, 2026, the District reported deferred outflows of resources 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	$ 150,851	$ 7,134,460
Changes of assumptions or other inputs	3,476,589	7,129,730
Total	$ 3,627,440	$ 14,264,190

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

Fiscal Year Ending June 30:	
2027	$ (4,063,756)
2028	(2,208,278)
2029	(2,632,975)
2030	(1,339,612)
2031	(730,528)
Thereafter	338,399
Total	$ (10,636,750)

NOTE 11 – RISK MANAGEMENT

General Information

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Consortiums and Self-Insured Plans

The District participates in Fulmont Workers Compensation Plan, a risk-sharing pool to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to workers' compensation claims. The District's share of the liability for unbilled and open claims is $345,465.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

NOTE 13 – TAX ABATEMENTS

The County of Fulton enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced $133,499. The District received Payment in Lieu of Tax (PILOT) payments totaling $49,264.

NOTE 14 – OTHER CHANGES IN FUND BALANCE/NET POSITION

Other change in fund balance in the general fund consists of:

Write-off of old uncollectible receivables	$ (1,038)
Total General Fund Other Change in Fund Balance	$ (1,038)

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the issuance date of the audit report. There were no issues to report that would have a material effect on the financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Actual Revenues	Original Budget Variance to Final Budget Variance Over (Under)	Final Budget Variance with Budgetary Actual Over (Under)
REVENUES:					
Local Sources					
Real property taxes	$ 15,768,000	$ 15,950,928	$ 15,927,034	$ 182,928	$ (23,894)
Real property tax items	1,475,758	1,292,830	1,266,336	(182,928)	(26,494)
Charges for services	650,000	650,000	769,712	0	119,712
Use of money and property	257,600	257,600	285,539	0	27,939
Sale of property and compensation for loss	2,000	2,000	20,754	0	18,754
Miscellaneous	610,000	610,000	684,198	0	74,198
Total Local Sources	18,763,358	18,763,358	18,953,573	0	190,215
State Sources	21,354,372	21,354,372	20,882,631	0	(471,741)
Federal Sources	85,000	85,000	78,184	0	(6,816)
Total Revenues	40,202,730	40,202,730	39,914,388	0	(288,342)
OTHER FINANCING SOURCES					
Transfers from other funds	0	560,000	560,000	560,000	0
Total Revenues and Other Financing Sources	40,202,730	40,762,730	40,474,388	$ 560,000	$ (288,342)

See paragraph on supplementary schedules included in independent auditors' report.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Actual Expenditures	Year End Encumbrances	Actual Expenditures Including Encumbrances	Original Budget Variance to Final Budget Variance (Over) Under	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES:							
General Support							
Board of Education	80,050	86,788	85,507	$ 0	$ 85,507	$ 6,738	$ 1,281
Central administration	245,213	245,713	245,219	0	245,219	500	494
Finance	399,618	471,538	461,844	0	461,844	71,920	9,694
Staff	392,174	434,939	415,276	0	415,276	42,765	19,663
Central services	4,150,620	4,287,351	3,928,555	0	3,928,555	136,731	358,796
Special items	739,500	728,502	725,780	0	725,780	(10,998)	2,722
Instructional							
Instruction, administration and improvements	1,338,095	1,446,070	1,365,598	0	1,365,598	107,975	80,472
Teaching – regular school	10,949,390	11,504,770	10,943,209	49,813	10,993,022	555,380	511,748
Programs for children with handicapping conditions	4,397,769	3,640,736	3,596,864	6,189	3,603,053	(757,033)	37,683
Occupational education	1,055,050	882,050	881,538	0	881,538	(173,000)	512
Teaching - special school	35,000	73,260	73,252	0	73,252	38,260	8
Instructional media	1,166,594	1,236,395	1,070,729	2,473	1,073,202	69,801	163,193
Pupil services	2,490,417	2,625,289	2,502,383	34	2,502,417	134,872	122,872
Pupil Transportation	2,338,900	2,429,161	2,314,644	0	2,314,644	90,261	114,517
Community Services	2,500	15,865	14,647	0	14,647	13,365	1,218
Employee Benefits	9,539,000	8,932,735	8,827,722	0	8,827,722	(606,265)	105,013
Debt Service	3,961,110	4,891,660	4,876,475	0	4,876,475	930,550	15,185
Total Expenditures	43,281,000	43,932,822	42,329,242	58,509	42,387,751	651,822	1,545,071
Other Financing Uses							
Transfers to other funds	100,000	100,000	29,666	0	29,666	0	70,334
Total Expenditures and Other Uses	43,381,000	44,032,822	42,358,908	$ 58,509	$ 42,417,417	$ 651,822	$ 1,615,405
NET CHANGE IN FUND BALANCE	(3,178,270)	(3,270,092)	(1,884,520)				
FUND BALANCE – BEGINNING	5,881,615	5,881,615	5,881,615				
FUND BALANCE – ENDING	$ 2,703,345	$ 2,611,523	$ 3,996,057				

See paragraph on supplementary schedules included in independent auditors' report.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2026

NOTE 1 – BUDGETARY INFORMATION AND BASIS OF BUDGETING

The District's budget is prepared in accordance with the requirements of New York State Education Law and is adopted on a basis consistent with the cash receipts and disbursements method, with the exception of encumbrances, which are treated as expenditures for budgetary purposes when commitments are made. The legal level of budgetary control is at the function level within the general fund.

The accompanying budgetary comparison schedule for the general fund presents the original and final legally adopted budget and the actual results on the budgetary basis of accounting. Because the District's budgetary basis differs from accounting principles generally accepted in the United States of America (GAAP), a reconciliation to the GAAP-basis change in fund balance is presented in a separate schedule immediately following the budgetary comparison schedule.

NOTE 2 – EXPLANATION OF SIGNIFICANT BUDGET VARIANCES BETWEEN ORIGINAL BUDGET AND FINAL BUDGET AMOUNTS

The following summarizes the more significant differences between original and final budget amounts for the general fund for the year ended June 30, 2026:

General Fund

	Amount
Budgetary Revenues	
Differences – original budget to final budget:	
Local Sources	
Real Property Tax Items	$ 182,928
The decrease in Real Property Tax Items reflects an adjustment made after final tax levy and School Tax Relief (STAR) reimbursement amounts became available. The District reduced the budget for STAR reimbursement by $182,928 and increased the Property Taxes budget by the corresponding amount to accurately reflect the final allocation of the tax levy between the two revenue sources. This adjustment represented a reclassification between revenue accounts and had no impact on total budgeted property tax-related revenue.	

NOTE 2 – EXPLANATION OF SIGNIFICANT BUDGET VARIANCES BETWEEN ORIGINAL BUDGET AND FINAL BUDGET AMOUNTS – (CONTINUED)

General Fund – (Continued)

	Amount
Budgetary Revenues – (Continued)	
Differences – original budget to final budget – (Continued)	
Other Financing Sources	
Transfers from Other Funds	560,000
The final budget was amended to include a $560,000 transfer from the Capital Fund to the General Fund related to interest on the District's $14 million Bond Anticipation Note (BAN) issued in connection with the capital project. The interest expense had initially been budgeted within the Capital Fund; however, the expenditure was required to be recognized in the General Fund. Accordingly, the transfer was established to provide the General Fund with the resources necessary to recognize the related interest expenditure.	
Budgetary Expenditures	
Differences – original budget to final budget	
General Support	
Staff	$ 42,765
The increase was attributable to additional BOCES communications and public information services utilized by the District during 2025-26. These services included additional communications-related projects, printing, publications, and other public information needs that exceeded the level anticipated in the original budget. The variance was related to BOCES communications services and was not attributable to additional staffing costs.	

NOTE 2 – EXPLANATION OF SIGNIFICANT BUDGET VARIANCES BETWEEN ORIGINAL BUDGET AND FINAL BUDGET AMOUNTS – (CONTINUED)

General Fund – (Continued)

	Amount
Budgetary Expenditures – (Continued)	
Differences – original budget to final budget – (Continued)	
Instructional	
Programs for Students with Handicapping Conditions The District budgets conservatively for special education placements due to the significant cost associated with BOCES programs and the potential for student placement needs to change throughout the year. The decrease in 2025-26 was primarily attributable to a high-cost student who transitioned out of the District to a neighboring school district. As a result, the District was no longer financially responsible for the student's BOCES placement, resulting in expenditures below the amount originally anticipated.	(757,033)
Occupational Education The District originally budgeted for approximately 75 student placements in BOCES Career and Technical Education (CTE) programs. Over the past several years, the District has made significant investments in its skilled trades programming. These investments have contributed to a reduction in the number of BOCES CTE placements required by the District. During 2025-26, actual CTE placements were lower than originally anticipated, resulting in lower BOCES occupational education expenditures and a $173,000 reduction in the final budget.	(173,000)

NOTE 2 – EXPLANATION OF SIGNIFICANT BUDGET VARIANCES BETWEEN ORIGINAL BUDGET AND FINAL BUDGET AMOUNTS – (CONTINUED)

General Fund – (Continued)

	Amount
Budgetary Expenditures – (Continued)	
Differences – original budget to final budget – (Continued)	
Instructional – (Continued)	
Teaching – Special School The District originally budgeted for limited summer programming due to planned construction activities and anticipated facility constraints. As student needs and available space were evaluated, the District was able to operate a credit recovery program and special education programming at the secondary campus, as well as two self-contained special education classrooms at the elementary level. Additional summer program costs included nursing and tutoring services. Although a portion of the summer special education expenditures was subsequently reallocated to the Special Aid Fund for aidability purposes, General Fund expenditures associated with summer programming exceeded the amount included in the original budget.	38,260
Community Service The Community Services appropriation increased as a result of additional youth support services provided by Catholic Charities through BOCES. These services support the District in addressing identified student needs, including vaping prevention and intervention and other student-related concerns. The level of services utilized during 2025-26 exceeded the amount originally anticipated, resulting in additional BOCES expenditures and the corresponding budget increase.	13,365

NOTE 2 – EXPLANATION OF SIGNIFICANT BUDGET VARIANCES BETWEEN ORIGINAL BUDGET AND FINAL BUDGET AMOUNTS – (CONTINUED)

General Fund – (Continued)

	Amount
Budgetary Expenditures – (Continued)	
Differences – original budget to final budget – (Continued)	
Debt Service	930,550

The Debt Service appropriation increased primarily as a result of capital project financing and year-end accounting reclassifications.

Of the total increase, $560,000 represents interest associated with the District's $14 million Bond Anticipation Note (BAN) issued in connection with the capital project. The interest had initially been budgeted within the Capital Fund but was required to be recognized in the General Fund. A corresponding transfer from the Capital Fund was established to provide the General Fund with the resources necessary to recognize this expenditure.

The remaining $370,550 relates to BOCES right-to-use lease obligations. These costs are paid throughout the year as part of the District's BOCES invoices and are initially charged to A1680.490. At year-end, the applicable principal and interest amounts are reclassified to Debt Service for financial reporting purposes.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2026

NOTE 3 – EXPLANATION OF SIGNIFICANT VARIANCES BETWEEN FINAL BUDGET AND ACTUAL RESULTS

The following summarizes the more significant differences between final budget amounts and actual results for the general fund for the year ended June 30, 2026:

	General Fund Over (Under)
Budgetary Revenues	
Differences – Final budget to actual results	
Local Sources	
Charges for Services Revenue exceeded the final budget by approximately $119,700, primarily due to increased shared service agreements for special education students that were not known at the time the budget was developed. These agreements resulted in higher-than-anticipated tuition revenue from other school districts. The District also received approximately $16,200 in student fees and charges that had not been budgeted.	$ 119,712
Use of Money and Property Revenue exceeded the final budget by approximately $27,900 due to higher-than-anticipated interest earnings. The increase was primarily attributable to cash management strategies employed by the District to maximize interest earnings on available funds. The District budgeted $250,000 for interest and earnings and realized approximately $277,900 during the year..	27,939
Sale of Property and Compensation for Loss Revenue exceeded the final budget by approximately $18,800, primarily due to insurance recoveries related to claims that occurred during the year. The District received insurance proceeds to offset the cost of repairing or replacing damaged property. Additional unbudgeted revenue was received from the sale of scrap and excess materials and other compensation for loss.	18,754

NOTE 3 – EXPLANATION OF SIGNIFICANT VARIANCES BETWEEN FINAL BUDGET AND ACTUAL RESULTS – (CONTINUED)

	General Fund Over (Under)
Budgetary Revenues – (Continued)	
Differences – Final budget to actual results – (Continued)	
Local Sources – (Continued)	
Miscellaneous	74,198
Revenue exceeded the final budget by approximately $74,200, primarily due to higher-than-anticipated refunds of prior-year BOCES expenditures. The amount of the BOCES refund is not known at the time the District develops its budget; therefore, the District budgets based on the amount received in the prior year. The actual refund is determined based on BOCES year-end financial results, with available surplus distributed proportionately among participating school districts. The District's share for 2025-26 was higher than anticipated, resulting in BOCES refund revenue of approximately $634,600 compared with the $500,000 budgeted.	
Budgetary Expenditures	
Differences – final budget to actual results:	
Instructional	
Instructional Media	$ 165,666
Expenditures were approximately $165,700 below the final budget, primarily because several planned technology projects were deferred. Certain technology projects were determined to fall within the scope of the District's capital project and were therefore shifted to the capital project and deferred to the following fiscal year.	

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS – CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED JUNE 30, 2026, 2025, 2024, 2023, 2022, 2021, 2020, 2019 AND 2018

Measurement Date	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability									
Service cost	$ 867,164	$ 991,330	$ 974,773	$ 1,169,240	$ 1,742,942	$ 2,197,432	$ 1,408,102	$ 932,703	$ 973,316
Interest	1,386,783	1,471,602	1,402,566	1,310,499	997,305	1,251,928	1,486,656	1,403,825	1,277,859
Change of benefit terms	0	47,006	0	33,509	0	0	0	0	0
Differences between expected and actual experience	114,655	(5,189,554)	23,526	(2,805,699)	104,352	(9,307,871)	36,412	(3,475,466)	0
Change of assumptions or other inputs	2,254,126	(2,292,939)	(439,701)	(1,591,279)	(10,451,318)	(3,185,470)	11,589,882	7,722,393	(1,802,137)
Benefit payments	(1,075,546)	(980,815)	(985,819)	(977,868)	(968,251)	(988,131)	(1,042,172)	(915,161)	(696,696)
Net change in total OPEB liability	3,547,182	(5,953,370)	975,345	(2,861,598)	(8,574,970)	(10,032,112)	13,478,880	5,668,294	(247,658)
Total OPEB Liability - beginning	28,495,551	34,448,921	33,473,576	36,335,174	44,910,144	54,942,256	41,463,376	35,795,082	36,042,740
Total OPEB Liability - ending	$ 32,042,733	$ 28,495,551	$ 34,448,921	$ 33,473,576	$ 36,335,174	$ 44,910,144	$ 54,942,256	$ 41,463,376	$ 35,795,082
Covered-employee payroll	$ 20,099,935	$ 17,380,640	$ 18,233,939	$ 16,928,346	$ 14,886,848	$ 13,471,295	$ 15,102,023	$ 10,755,213	$ 14,582,688
Total OPEB liability as a percentage of covered-employee payroll	159.42%	163.95%	188.93%	197.74%	244.08%	333.38%	363.81%	385.52%	245.46%
Plan's fiduciary net position	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net OPEB Liability	$ 32,042,733	$ 28,495,551	$ 34,448,921	$ 33,473,576	$ 36,335,174	$ 44,910,144	$ 54,942,256	$ 41,463,376	$ 35,795,082

See paragraph on supplementary schedules included in independent auditors' report.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE YEARS ENDED JUNE 30, 2026, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018 AND 2017

NYS Employees' Retirement System	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.0125885%	0.0118454%	0.0112937%	0.0123506%	0.0106881%	0.0094750%	0.0091406%	0.0095659%	0.0094580%	0.0090953%
District's proportionate share of the net pension liability (asset)	$ 710,210	$ 2,030,983	$ 1,662,884	$ 2,648,466	$ (873,705)	$ 9,435	$ 2,420,488	$ 677,772	$ 305,251	$ 854,617
District's covered-employee payroll	4,974,779	4,520,680	4,291,020	4,020,810	3,365,819	3,231,996	3,116,239	2,978,764	2,856,159	2,810,748
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	14.3%	44.9%	38.8%	65.9%	26.0%	0.3%	77.7%	22.8%	10.7%	30.4%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%

NYS Teachers' Retirement System	2025	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.077202%	0.076849%	0.074762%	0.073885%	0.072538%	0.073782%	0.075420%	0.076148%	0.074753%	0.075606%
District's proportionate share of the net pension liability (asset)	$ (4,571,167)	$ (2,292,880)	$ 854,969	$ 1,417,781	$ (12,570,077)	$ 2,038,807	$ (1,959,408)	$ (1,376,965)	$ (568,193)	$ 809,776
District's covered-employee payroll	16,111,810	15,545,591	15,114,610	13,799,378	13,077,806	12,366,263	12,952,837	12,897,993	13,628,990	12,171,114
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.37%	10.29%	9.76%	10.27%	96.1%	16.5%	15.1%	10.7%	4.2%	6.7%
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%

See paragraph on supplementary schedules included in independent auditors' report.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2026, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018 AND 2017

NYS Employees' Retirement System	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually required contribution	$ 768,838	$ 589,472	$ 479,210	$ 397,158	$ 483,088	$ 461,086	$ 422,872	$ 364,946	$ 396,219	$ 407,432
Contributions in relation to the contractually required contribution	768,838	589,472	479,210	397,158	483,088	461,086	422,872	364,946	396,219	407,432
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 4,974,779	$ 4,520,680	$ 4,291,020	$ 4,020,810	$ 3,365,819	$ 3,231,996	$ 3,116,239	$ 2,978,764	$ 2,856,159	$ 2,810,748
Contribution as a percentage of covered-employee payroll	15.45%	13.04%	11.17%	9.88%	14.35%	14.27%	13.57%	12.25%	13.87%	14.50%

NYS Teachers' Retirement System	**2,026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Contractually required contribution	$ 1,545,123	$ 1,571,659	$ 1,475,186	$ 1,419,956	$ 1,281,625	$ 1,178,505	$ 1,147,621	$ 1,369,767	$ 1,335,641	$ 1,426,455
Contributions in relation to the contractually required contribution	1,545,123	1,571,659	1,475,186	1,419,956	1,281,625	1,178,505	1,147,621	1,369,767	1,335,641	1,426,455
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 16,111,810	$ 15,545,591	$ 15,114,610	$ 13,799,378	$ 13,077,806	$ 12,366,263	$ 12,952,837	$ 12,897,993	$ 13,628,990	$ 12,171,114
Contribution as a percentage of covered-employee payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

See paragraph on supplementary schedules included in independent auditors' report.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2026

ADOPTED BUDGET	$ 43,381,000
ADDITIONS:	
Additonal principal payments to long-term debt	560,000
Prior year's encumbrances	91,822
FINAL BUDGET	$ 44,032,822

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2026

2026-2027 voter-approved expenditure budget	$ 44,685,000
Maximum allowed (4% of 2026-2027 budget)	1,787,400
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	2,487,375
Unassigned fund balance	402,031
Total unrestricted fund balance	2,889,406
Less:	
Appropriated fund balance and encumbrances	2,487,375
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 402,031
Actual percentage	0.9%

See paragraph on supplementary schedules included in independent auditors' report.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2026

			Expenditures				Methods of Financing					
Project Title	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	Local Sources	Federal Sources	State Aid	Proceeds of Obligations	Total	Fund Balance
District renovations	$ 37,845,000	$ 37,845,000	$ 1,409,849	$ 11,405,575	$ 12,815,424	$ 25,029,576	$ 602,989	$ 0	$ 0	$ 0	$ 602,989	$ (12,212,435)
Smart Schools	1,385,510	1,385,510	1,384,693	0	1,384,693	817	143,826	0	1,240,867	0	1,384,693	0
ERATE	27,079	27,079	0	0	0	27,079	0	0	0	0	0	0
Equipment leases and installment debt	290,612	290,612	0	290,612	290,612	0	0	0	0	290,612	290,612	0
Bus Purchase '23-24	529,244	529,244	520,281	0	520,281	8,963	0	0	0	529,244	529,244	8,963
Bus Purchase '24-25	520,000	520,000	433,342	73,640	506,982	13,018	0	0	0	520,000	520,000	13,018
Bus Purchase '25-26	566,496	566,496	0	558,947	558,947	7,549	0	0	0	566,486	566,486	7,539
TOTALS	$ 41,163,941	$ 41,163,941	$ 3,748,165	$ 12,328,774	$ 16,076,939	$ 25,087,002	$ 746,815	$ 0	$ 1,240,867	$ 1,906,342	$ 3,894,024	$ (12,182,915)

See paragraph on supplementary schedules included in independent auditors' report.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2026

CAPITAL ASSETS, NET		$ 94,248,346
DEDUCT:		
Bond anticipation notes payable	$ 27,500,000	
Less: Unspent bond anticipation notes proceeds	(15,285,812)	
Short-term portion of lease liability	340,650	
Long-term portion of lease liability	480,455	
Short-term portion of installment purchase debt	31,618	
Long-term portion of installment purchase debt	33,169	
Short-term portion of bonds payable	2,490,000	
Long-term portion of bonds payable	20,836,486	
		36,426,566
NET INVESTMENT IN CAPITAL ASSETS		$ 57,821,780

See paragraph on supplementary schedules included in independent auditors' report.

WEST & COMPANY CPAs PC

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*

To the President and the Other Members
of the Board of Education of the
Broadalbin-Perth Central School District
Broadalbin, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Broadalbin-Perth Central School 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 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Broadalbin-Perth Central School 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 Broadalbin-Perth Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Broadalbin-Perth Central School 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 Broadalbin-Perth Central School 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2026

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2026

WEST & COMPANY CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Broadalbin-Perth Central School District
Broadalbin, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Broadalbin-Perth Central School District (the District) as of June 30, 2026, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the District as of June 30, 2026, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Insufficient accounting controls are exercised over cash receipts at the point of collections to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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.

Basis of Accounting

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2026

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2026

ASSETS		
Cash	$	176,879
TOTAL ASSETS	$	176,879
LIABILITIES AND CLUB BALANCES		
Club balances	$	176,879
TOTAL LIABILITIES AND CLUB BALANCES	$	176,879

See notes to financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2026

	Balance July 1, 2025	Receipts	Disbursements	Balance June 30, 2026
High School:				
Class of 2025	$ 14,130	$ 36	$ 14,166	$ 0
Class of 2026	13,389	2,778	14,590	1,577
Class of 2027	14,444	19,563	19,553	14,454
Class of 2028	6,393	13,039	0	19,432
Class of 2029	24,722	17,626	6,533	35,815
Class of 2030	3,631	5,026	1,402	7,255
Class of 2031	0	9,081	4,940	4,141
High School Yearbook	16,597	2,133	7,561	11,169
H.S. Student Government	3,148	4,504	2,858	4,794
Cheerleaders	19,993	24,751	19,597	25,147
SADD	5,285	7,563	6,070	6,778
HS Honor Society	629	1,250	304	1,575
Social Studies Honor Society	907	1,074	576	1,405
High School Drama	8,492	1,693	10,185	0
Key Club	778	0	0	778
Secondary Music Club	4,504	19,503	15,973	8,034
High School - School Store	5,844	50,113	48,544	7,413
High School - School Store Apparel	1,402	767	0	2,169
Fishing Club	1,890	1,500	0	3,390
Photography	5,865	0	0	5,865
International Club	1,505	0	0	1,505
Secondary Garden Club	433	0	0	433
Jr./Sr. High Dance Team	2,264	0	478	1,786
Sales Tax	0	8,712	8,712	0
Interest	0	3,356	3,356	0
Total High School	156,245	194,068	185,398	164,915

See notes to financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2026

Total High School (from previous page)	$ 156,245	$ 194,068	$ 185,398	$ 164,915
Middle School:				
Junior National Honor Society	3,085	869	1,607	2,347
Middle School Student Council	276	307	106	477
Library Club	4,558	0	0	4,558
Future Cities	3,502	650	270	3,882
FBLA	995	138	433	700
Sales Tax	0	38	38	0
Interest	0	117	117	0
Total Middle School	12,416	2,119	2,571	11,964
TOTALS	$ 168,661	$ 196,187	$ 187,969	$ 176,879

See notes to financial statements.

BROADALBIN-PERTH CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Broadalbin-Perth Central School District. The Extraclassroom Activity Funds of Broadalbin-Perth Central School District represent funds of the students of the District. The District's Board exercises general oversight on these funds. The Extraclassroom Activity Funds are independent of the District with respect to the financial transactions and the designation of student management. However, since the District does exercise general oversight, these funds and their corresponding cash accounts are reflected in the Miscellaneous Special Revenue Fund of the financial statements of the District.

The books and records of the Broadalbin-Perth Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

NOTE 2 – MANAGEMENT LETTER

The management letter items for the Extraclassroom Activity Funds are included in the management letter associated with the basic financial statements.

WEST & COMPANY CPAs PC

October 15, 2026

To the President and the Other Members
of the Board of Education of the
Broadalbin-Perth Central School District
Broadalbin, New York

Re: Management Letter
June 30, 2026

In planning and performing our audit of the basic financial statements of the Broadalbin-Perth Central School District for the year ended June 30, 2026, we considered the District's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily disclose all matters that might be reportable. In addition, because of inherent limitations in internal control, misstatements due to error or fraud may occur and not be detected by such controls.

A material weakness is a condition in which the design or operation of one or more of these specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control and its operations to be material weaknesses as defined above.

However, during our audit we became aware of the following matters and we would like to make the following comments and recommendations:

Prior-Year Findings

1. Extraclassroom Activities

Prior Condition: Our testing for the year ending June 30, 2025 noted two fundraisers which did not have a profit & loss statement, two payments which did not have supporting documentation, four payments that did not pay sales tax and five receipts and ten payments that were missing required signatures. Additionally, three clubs were fiscally inactive.

Status: During our testing for the year ended June 30, 2026, we noted:

(a) One payment did not pay sales tax.
(b) The High School store is not maintaining an inventory control listing.
(c) One receipt was missing a required signature.
(d) There were five clubs that were fiscally inactive.

Recommendation: We recommend that the District ensure that all clubs are following the requirements outlined in NYS Pamphlet #2. We also recommend that the Business Office and the Board review any fiscally inactive clubs to determine if they need to be closed.

2. **Employee I-9 Forms**

   Prior Condition: As part of our audit testing for the year ending June 30, 2025, we tested a random sample of 40 employees and noted that one employee tested had an incomplete I-9.

   Status: This condition has been corrected.

3. **Disbursement Testing**

   Prior Condition: Our testing of 40 randomly selected disbursements for the year ending June 30, 2025, noted ten instances where the purchase order was dated after the invoice and one claim form lacked administrator or purchasing agent approval.

   Status: Our testing of 40 randomly selected disbursements for the year ending June 30, 2026, noted four instances where the purchase order was dated after the invoice and one disbursement lacked signoff by the receiver.

   Recommendation: We recommend that management review the purchasing procedures and ensure all procedures are being followed to prevent purchases from being initiated prior to approval.

4. **Payroll Documentation**

   Prior Condition: As part of our audit testing for the year ending June 30, 2025, we tested a random sample of 40 paychecks and noted that one selected employee did not have a letter on file approving their pay rates.

   Status: This condition has been corrected.

5. **ACH Payments**

   Prior Condition: We noted multiple instances of the claims auditor approving ACH payments after the payment is made.

   Status: This condition has been corrected.

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We appreciate the assistance and courtesies extended to us by your staff during our fieldwork. The Business Office was well prepared for our audit.

Please let us know if you would like to discuss our comments and recommendations.

Very truly yours,

WEST & COMPANY CPAs PC

WEST & Company CPAs PC