GUILDERLAND 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 – 14
BASIC FINANCIAL STATEMENTS	
Statement of net position	15
Statement of activities and change in net position	16
Balance sheet – governmental funds	17
Reconciliation of governmental funds balance sheet to statement of net position	18
Statement of revenues, expenditures and changes in fund balances – governmental funds	19
Reconciliation of governmental funds statement of revenues, expenditures and changes in fund balances to statement of activities	20
NOTES TO BASIC FINANCIAL STATEMENTS	21 – 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 – 56
Schedule of funding progress – changes in total other post-employment benefits liability and related ratios	57
Schedule of the local government's proportionate share of the net pension liability	58
Schedule of local government contributions	59
SUPPLEMENTARY INFORMATION	
Schedule of change from adopted budget to final budget – general fund	60
Section 1318 of real property tax law limit calculation	60
Schedule of capital projects fund – project expenditures and financing resources	61
Net investment in capital assets	62
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*	63 – 64
EXTRACLASSROOM ACTIVITY FUNDS	
Independent auditors' report	66 – 67
Statement of assets and liabilities arising from cash transactions	68
Statement of revenues collected and expenses paid	69 – 70
Note to financial statements	71
MANAGEMENT LETTER	72 – 73

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Guilderland Central School District
Guilderland Center, 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 Guilderland 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 14 and 52 through 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information on pages 60 through 62 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. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 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
November 10, 2026

GUILDERLAND CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 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.

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**
Scope	Entire District	The activities of the School District that are not proprietary or fiduciary, such as instruction, special education and building maintenance
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
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

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 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 one kind of fund:

- 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.

FINANCIAL SUMMARY

Table A-2 Condensed Statement of Net Position

	Fiscal Year 2026	Fiscal Year 2025	% Change (Incr.; - Decr.)
Assets			
Current and other assets	$ 56,210,782	$ 47,724,004	18
Capital assets - net	132,973,551	136,072,071	-2
Total Assets	189,184,333	183,796,075	3
Deferred Outflows of Resources			
Pensions	21,708,520	21,191,850	2
Other post-employment benefits	27,538,769	30,415,048	-9
Total Deferred Outflows of Resources	49,247,289	51,606,898	-5
Liabilities			
Current liabilities	26,100,930	45,019,103	-42
Long-term liabilities	300,551,970	262,625,647	14
Total Liabilities	326,652,900	307,644,750	6
Deferred Inflows of Resources			
Other post-employment benefits	61,604,394	88,046,737	-30
Pensions	15,641,949	9,932,540	57
Total Deferred Inflows of Resources	77,246,343	97,979,277	-21
Net Position			
Net investment in capital assets	75,128,725	74,360,117	1
Restricted	19,074,939	20,898,161	-9
Unrestricted	(259,671,285)	(265,479,332)	2
Total Net Position	$(165,467,621)	$(170,221,054)	3

Table A-3 Changes in Net Position from Operating Results

	Fiscal Year 2026	Fiscal Year 2025	% Change Incr.; - Decr.)
Revenues			
Program Revenues			
Charges for services	$ 899,098	$ 1,492,167	-40
Operating grants and contributions	6,445,209	6,098,341	6
General Revenues			
Property taxes	85,018,567	83,062,804	2
State sources	41,907,752	41,827,255	0
Federal sources	145,825	107,981	35
Use of money and property	1,713,889	1,876,820	-9
Sale of property and compensation for loss	7,594	32,939	-77
Miscellaneous	1,644,028	2,172,105	-24
Total Revenues	137,781,962	136,670,412	1
Expenses			
General support	17,125,784	14,701,478	16
Instruction	101,266,389	99,742,778	2
Transportation	8,618,727	8,950,743	-4
Debt service	3,572,926	2,097,603	70
Cost of sales – Lunch Program	2,154,227	1,927,847	12
Total Expenses	132,738,053	127,420,449	4
Total Change in Net Position	$ 5,043,909	$ 9,249,963	-45

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

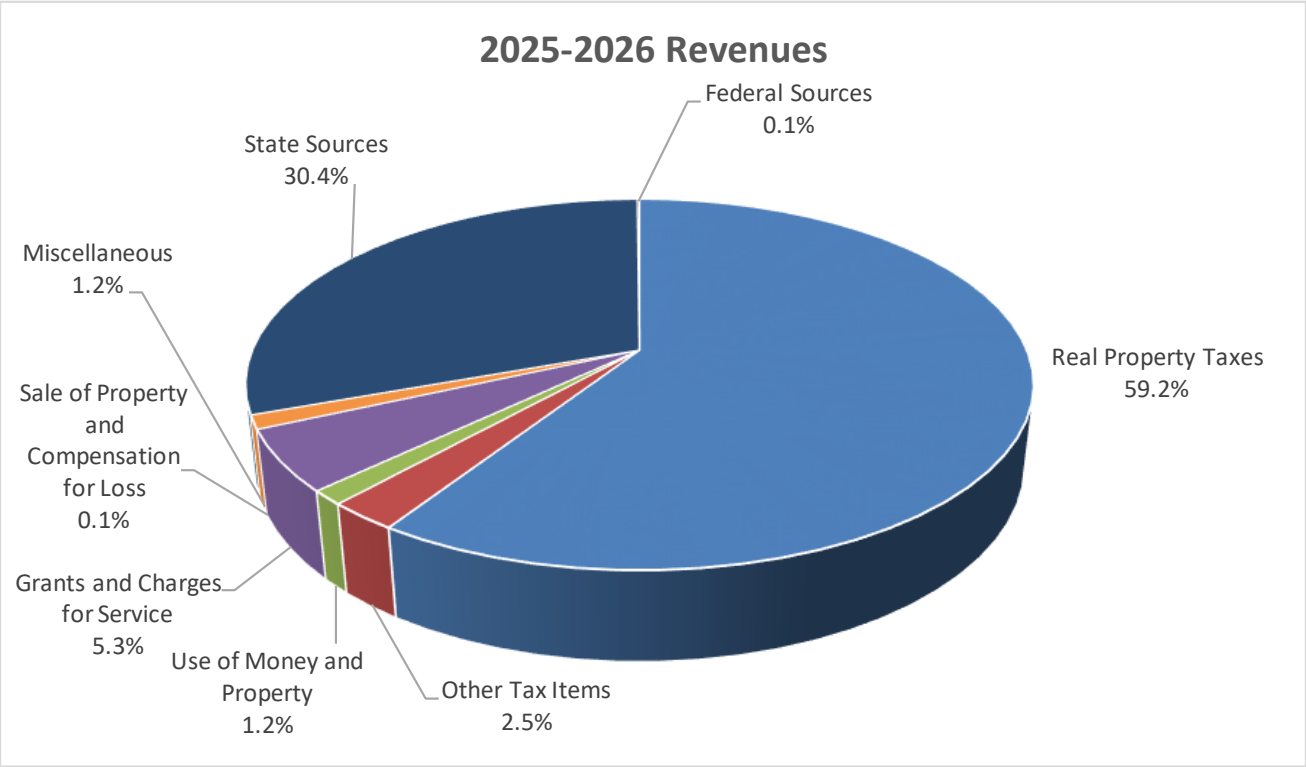


Table A-5 – Expenses for 2026 – Total Governmental Activities

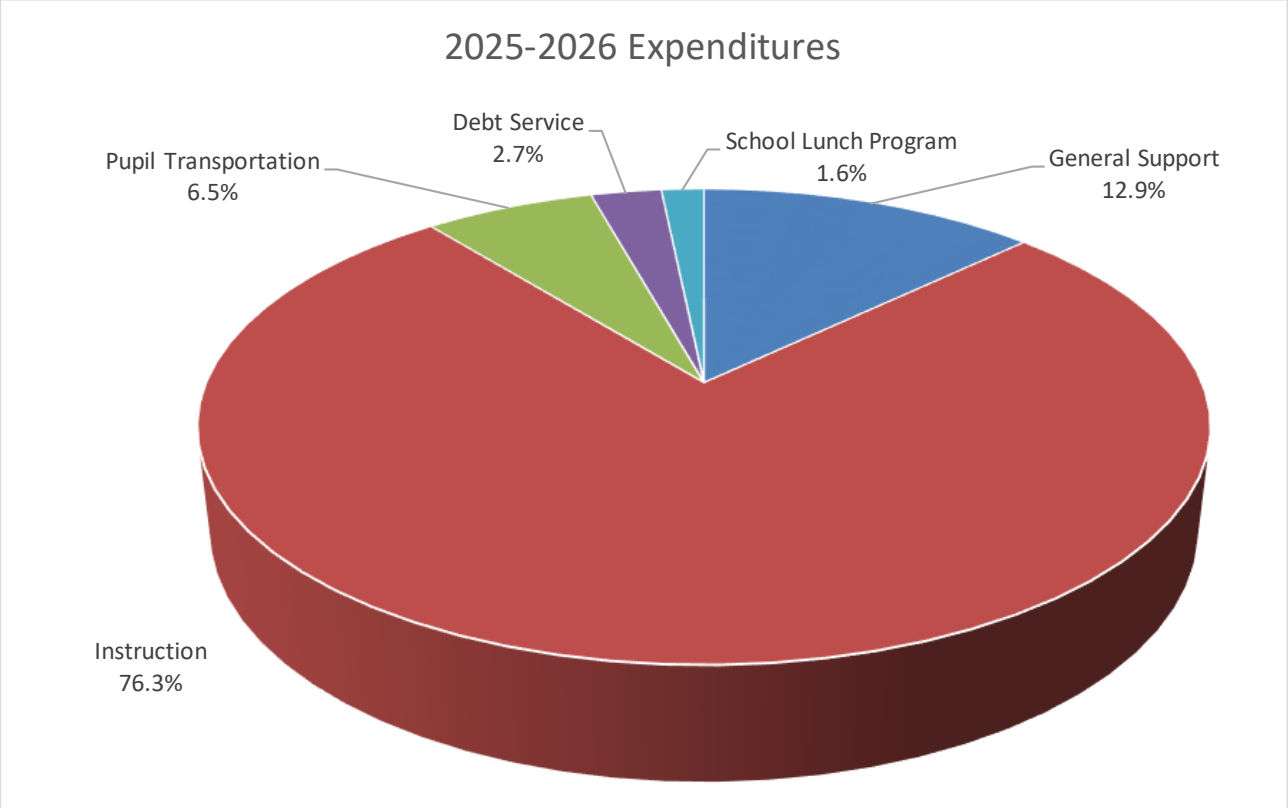


Table A-6

Net Cost of Governmental Activities

	Total Cost of Services 2026	Total Cost of Services 2025	% Change (Incr.; -Decr.)	Net Cost of Services 2026	Net Cost of Services 2025	% Change (Incr.; -Decr.)
General support	$ 17,125,784	$ 14,701,478	16%	$ 17,125,784	$ 14,701,478	16%
Instruction	101,266,389	99,742,778	2%	96,890,733	93,868,998	3%
Pupil transportation	8,618,727	8,950,743	-4%	8,618,727	8,950,743	-4%
Debt service - interest	3,572,926	2,097,603	70%	3,572,926	2,097,603	70%
Cost of sales - lunch program	2,154,227	1,927,847	12%	(814,424)	211,119	-486%
Totals	$ 132,738,053	$ 127,420,449	4%	$ 125,393,746	$ 119,829,941	5%

DETAILED ANALYSES

Governmental Activities Overall

The School District's 2026 revenue was $137,781,692, an increase of $1,111,280 and 1%. The increase was primarily due to an increase in tax revenues, BOCES Aid, and transfers from debt service. Property taxes accounted for the majority of revenue by contributing 2.6% of 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 $132,738,053 for 2026. This was an increase of $5,317,604 and 4.2% over prior year. However, $2,813,270 of these expenditures were for transfers to the Capital Fund which were paid using the Capital Fund Reserve. Excluding these transfers, the increase in expenditures would have been $2,504,334 or an increase of 2.0%. The increase was primarily due to an increase in health care benefits and special education costs. In 2026 and 2025, 82.8% and 85.3% of expenses were for the education, supervision, and transportation of students, respectively.

Net position was $(165,467,621) as of June 30, 2026, which was an increase of $5,043,049 and 2.8% over the prior year.

General Fund

Assets in the General Fund were $32,908,960 and $33,686,120 for the fiscal years ended 2026 and 2025, respectively. The decrease of $777,160, or 2.3%, from year to year is due to a decrease in state aid receivables which was somewhat offset by an increase in investments and reserves.

Liabilities in the General Fund were $9,248,710 and $9,924,708 for the fiscal years ended 2026 and 2025, respectively. The decrease of $675,998, or 6.8%, from year to year is due to a decrease in accounts payable.

Fund Balance in the General Fund were $23,660,250 and $23,761,412 for the fiscal years ended 2026 and 2025, respectively. The decrease of $101,162, or .4%, from year to year is due to use of capital reserves for the current construction project.

Revenues in the General Fund were $129,873,989 and $128,040,225 for the fiscal years ended 2026 and 2025, respectively. The increase of $1,833,764, or 1.4%, from year to year is due to mainly tax revenue increases.

Expenditures in the General Fund were $126,854,255 and $121,936,135 for the fiscal years ended 2026 and 2025, respectively. The increase of $4,918,120, or 4.0%, from year to year is due to increases in health care expenses and special education expenses.

Special Aid Fund

Assets in the Special Aid Fund were $1,961,525 and $1,896,135 for the fiscal years ended 2026 and 2025, respectively. The increase of $65,390, or 3.4%, from year to year is due to increased cash holdings as result of higher liabilities owed to other funds.

Liabilities in the Special Aid Fund were $1,961,525 and $1,896,135 for the fiscal years ended 2026 and 2025, respectively. The increase of $65,390, or 3.4%, from year to year is due to increased cash holdings as result of higher liabilities owed to other funds.

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

Revenues in the Special Aid Fund were $3,836,661 and $5,353,281 for the fiscal years ended 2026 and 2025, respectively. The decrease of $1,516,620, or 28.3%, from year to year is due to the expiration of the Federal ARP grant in the prior year and slightly lower ESSA funded grants from the prior year.

Expenditures in the Special Aid Fund were $4,382,911 and $5,813,966 for the fiscal years ended 2026 and 2025, respectively. The decrease of $1,431,055, or 24.6%, from year to year is due to the expiration of the ARP grant and slightly lower ESSA funded grants from the prior year.

School Lunch Fund

Assets in the School Lunch Fund were $2,506,346 and $1,581,836 for the fiscal years ended 2026 and 2025, respectively. The increase of $924,510, or 58.4%, from year to year is due to the state approved free lunch for all students which resulted in an increase in revenues in excess of $900,000.

Liabilities in the School Lunch Fund were $116,160 and $107,219 for the fiscal years ended 2026 and 2025, respectively. The increase of $8,941, or 8.3%, from year to year is due to an increase in amount due to other funds.

Fund Balance in the School Lunch Fund were $2,390,186 and $1,474,617 for the fiscal years ended 2026 and 2025, respectively. The increase of $915,569, or 62%, from year to year is due to the significant increase in state reimbursable food sales stemming from the state approved program for free lunches for all students.

Revenues in the School Lunch Fund were $2,972,361 and $1,720,652 for the fiscal years ended 2026 and 2025, respectively. The increase of $1,251,709, or 72.7%, from year to year is due to significant increase in state reimbursable food sales stemming from the state approved program for free lunches for all students.

Expenditures in the School Lunch Fund were $2,056,792 and $1,823,718 for the fiscal years ended 2026 and 2025, respectively. The increase of $233,074, or 12.8%, from year to year is mainly due to an increase in employee benefits of 12.5%.

Capital Fund

Assets in the Capital Fund were $1,520,930 and $949,894 for the fiscal years ended 2026 and 2025, respectively. The increase of $571,036, or 60.1%, from year to year is due to increased local funding in the current capital project.

Liabilities in the Capital Fund were $10,389,002 and $29,274,489 for the fiscal years ended 2026 and 2025, respectively. The decrease of $18,885,487, or 64.5%, from year to year is due to the conversion of a $19 million Bond Anticipation Note for the 2022 Capital Project.

Fund Balance in the Capital Fund were ($8,868,072) and $(28,324,595) for the fiscal years ended 2026 and 2025, respectively. The increase of $19,456,523, or 68.7%, from year to year is due to due to the conversion of a $19 million Bond Anticipation Note for the 2022 Capital Project.

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

Expenditures in the Capital Fund were $3,134,293 and $5,460,604 for the fiscal years ended 2026 and 2025, respectively. The decrease of $2,326,311, or 42.6%, from year to year is due to less disbursements resulting from the conclusion of the 2022 Capital Project and the startup administrative expenses for the new 2025 Capital Project.

Debt Service Fund

Assets in the Debt Service Fund were $3,156,594 and $2,481,550 for the fiscal years ended 2026 and 2025, respectively. The increase of $675,044, or 27.2%, from year to year is due to transfer of unexpended completed capital project debt proceeds.

Liabilities in the Debt Service Fund were $238,624 and $-0- for the fiscal years ended 2026 and 2025, respectively. The increase of $238,624, or 100.0%, from year to year is due to planned transfer of debt service funds to the general fund to pay for outstanding debt.

Fund Balance in the Debt Service Fund were $2,917,970 and $2,481,550 for the fiscal years ended 2026 and 2025, respectively. The increase of $436,420, or 17.6%, from year to year is due to transfer of unexpended completed capital project debt proceeds offset by transfer of debt service funds to the general fund.

Revenues in the Debt Service Fund were $129,541 and $373,805 for the fiscal years ended 2026 and 2025, respectively. The decrease of $244,264, or 65.3%, from year to year mainly due to transfer of unexpended completed capital project debt proceeds offset by transfer of debt service funds to the general 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 $1,071,575 and $1,165,701 for the fiscal years ended 2026 and 2025, respectively. The decrease of $94,126, or 8.1%, from year to year is due to an increase in expenses for special funds.

Liabilities in the CM Misc. Special Revenue Fund were $-0- for the fiscal years ended 2026 and 2025. There was no year-over-year change.

Fund Balance in the CM Misc. Special Revenue Fund were $1,071,575 and $1,165,701 for the fiscal years ended 2026 and 2025, respectively. The decrease of $94,126, or 8.1%, from year to year is due to an increase in expenses for special funds.

Revenues in the CM Misc. Special Revenue Fund were $969,410 and $1,182,449 for the fiscal years ended 2026 and 2025, respectively. The decrease of $213,309, or 18.0%, from year to year is due to higher donations in one special revenue fund of approximately $225,000.

Expenditures in the CM Misc. Special Revenue Fund were $1,063,536 and $638,180 for the fiscal years ended 2026 and 2025, respectively. The increase of $425,356, or 66.7%, from year to year is due to an increase in expenditures from a special reserve fund of which donations were collected in the prior year.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

As of June 30, 2026, the School District had $132,973,551 (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
Land, buildings, improvements and construction in progress	$ 127,443,604	$ 129,123,139
Furniture and equipment	4,970,877	5,931,574
Right to use assets	559,070	1,017,358
Totals	$ 132,973,551	$ 136,072,071

The District typically undertakes capital projects every 5 years generally to address maintenance of facilities, undertake renovations, and make general improvements based on the Building Condition Survey performed by its architect every 5 years. The current capital project approved by voters also includes classroom additions at the high school.

Long-Term Debt

As of June 30, 2026, the School District had $302,946,578 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
General obligation bonds (financed with property taxes)	$ 52,890,000	$ 38,890,956
All other debt	250,056,578	223,024,210
Totals	$ 302,946,578	$ 261,915,166

During 2026, the District issued $17,105,000 of new bonds and issued no new leases. The District paid down its debt by retiring $3,105,956 of outstanding bonds and $458,288 of outstanding lease liability. Other debt represented compensated absences, leases payable and other post-employment benefits.

The District issued new Bonds of $17.1 million in July of 2025 replacing a Bond Anticipation Note for borrowings for the C, Bond rating. The debt limit calculation for net indebtedness is 1.65% of full taxable property value and the net indebtedness plus net overlapping indebtedness is 2.77% of full value why bonds were issued if any new ones. The current bond rating of Aa3 indicates a “stable outlook” for the district’s financial condition. The Net OPEB liability was $244,535,996 and $216,943,911 for the fiscal years ended 2026 and 2025, respectively. The increase of $27,592,085, or 12.7%, from year to year is due principally to a decrease in the actuarial discount rate.

Table A-9

Other Information

The Guilderland CSD's enrollment for the past 5 years is as follows:

2021-2022	4,831
2022-2023	4,855
2023-2024	4,888
2024-2025	4,817
2025-2026	4,788

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

- Health insurance and other post-retirement costs continue to grow at rates in excess of the rate of inflation. Also, as an older demographic makes up a greater portion of participants in the district health insurance plans, health insurance costs are expected to increase.

- Teachers Retirement System employer contribution rates in large part are affected by financial markets which have experienced significant volatility which could result in upward trend in contribution rates for school districts.

- The New York State limit on tax levy growth will result in further limitations on tax revenue that could affect the financial health of the District.

- New York State is currently undertaking a wholesale reexamination of the Foundation Aid formula which creates uncertainty in the amount of future Foundation Aid that the district will receive.

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:

Guilderland Central School District
District Office
PO Box 18
8 School Road
Guilderland Center, New York 12085
(518) 456-6200

GUILDERLAND CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2026

ASSETS		
Cash		
Unrestricted	$	17,406,401
Restricted		19,313,563
Receivables		
State and federal aid		2,672,876
Due from other governments		1,235,319
Other receivables		169,316
Inventories		24,839
Net pension asset - proportionate share		15,388,468
Right to use assets, net of amortization		559,070
Capital assets, net of depreciation		132,414,481
Total Assets		189,184,333
DEFERRED OUTFLOWS OF RESOURCES		
Other post-employment benefits		27,538,769
Pensions		21,708,520
Total Deferred Outflows of Resources		49,247,289
LIABILITIES		
Payables		
Accounts payable		720,566
Accrued liabilities		2,226,626
Accrued interest payable		867,083
Due to other governments		1,398
Unearned revenue		92,830
Bond anticipation notes payable		10,304,140
Long-term liabilities		
Due and payable within one year		
Due to Teachers' Retirement System		5,754,149
Due to Employees' Retirement System		550,696
Bonds payable		4,360,000
Premium on bonds		109,775
Leases payable		377,544
Compensated absences payable		736,123
Due and payable after one year		
Bonds payable		48,530,000
Premium on bonds		1,317,294
Leases payable		472,003
Other post-employment benefits		244,535,996
Net pension liability - proportionate share		1,761,765
Compensated absences payable		3,934,912
Total Liabilities		326,652,900
DEFERRED INFLOWS OF RESOURCES		
Other post-employment benefits		61,604,394
Pensions		15,641,949
Total Deferred Inflows of Resources		77,246,343
NET POSITION		
Net investment in capital assets		75,128,725
Restricted		
Capital reserve		4,043,959
Reserve for employee benefit liability		148,596
Reserve for debt service		2,917,970
Tax certiorari reserve		1,682,192
Unemployment insurance reserve		392,368
Reserve for retirement contribution - ERS		4,842,435
Reserve for retirement contribution - TRS		4,026,876
Workers' compensation reserve		951,549
Reserve for repairs		68,994
Unrestricted		(259,671,285)
Total Net Position	$	(165,467,621)

See notes to basic financial statements.

GUILDERLAND 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	$ 17,125,784	$ 0	$ 0	$ (17,125,784)
Instruction	101,266,389	(538,995)	(3,836,661)	(96,890,733)
Pupil transportation	8,618,727	0	0	(8,618,727)
Debt service	3,572,926	0	0	(3,572,926)
School lunch program	2,154,227	(360,103)	(2,608,548)	814,424
Total Functions and Programs	$ 132,738,053	$ (899,098)	$ (6,445,209)	(125,393,746)
GENERAL REVENUES				
Real property taxes				81,574,814
Other tax items				3,443,753
Use of money and property				1,713,889
Sale of property and compensation for loss				7,594
Miscellaneous				1,644,028
State sources				41,907,752
Federal sources				145,825
Total General Revenues				130,437,655
CHANGE IN NET POSITION				5,043,909
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED				(170,511,530)
TOTAL NET POSITION - END OF YEAR				$ (165,467,621)

See notes to basic financial statements.

GUILDERLAND 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	$ 12,079,569	$ 684,797	$ 2,049,530	$ 0	$ 1,520,930	$ 1,071,575	$ 17,406,401
Restricted	16,156,969	0	0	3,156,594	0	0	19,313,563
Due from other funds	2,303,616	0	0	0	0	0	2,303,616
State and federal aid receivable	957,562	1,276,728	438,586	0	0	0	2,672,876
Due from other governments	1,235,319	0	0	0	0	0	1,235,319
Other receivables	165,490	0	3,826	0	0	0	169,316
Inventories	10,435	0	14,404	0	0	0	24,839
TOTAL ASSETS	$ 32,908,960	$ 1,961,525	$ 2,506,346	$ 3,156,594	$ 1,520,930	$ 1,071,575	$ 43,125,930
LIABILITIES							
Accounts payable	$ 636,656	$ 14,000	$ 48	$ 0	$ 69,862	$ 0	$ 720,566
Accrued liabilities	2,219,033	0	7,593	0	0	0	2,226,626
Due to other funds	0	1,946,398	103,594	238,624	15,000	0	2,303,616
Bond anticipation notes payable	0	0	0	0	10,304,140	0	10,304,140
Due to other governments	1,398	0	0	0	0	0	1,398
Due to Employees' Retirement System	550,696	0	0	0	0	0	550,696
Due to Teachers' Retirement System	5,754,149	0	0	0	0	0	5,754,149
Unearned revenue	86,778	1,127	4,925	0	0	0	92,830
Total Liabilities	9,248,710	1,961,525	116,160	238,624	10,389,002	0	21,954,021
FUND BALANCE							
Nonspendable							
Reserved for inventory	10,435	0	14,404	0	0	0	24,839
Restricted							
Capital reserve	4,043,959	0	0	0	0	0	4,043,959
Reserve for employee benefit liability	148,596	0	0	0	0	0	148,596
Reserve for debt service	0	0	0	2,917,970	0	0	2,917,970
Tax certiorari reserve	1,682,192	0	0	0	0	0	1,682,192
Unemployment insurance reserve	392,368	0	0	0	0	0	392,368
Reserve for retirement contribution - ERS	4,842,435	0	0	0	0	0	4,842,435
Reserve for retirement contribution - TRS	4,026,876	0	0	0	0	0	4,026,876
Workers' compensation reserve	951,549	0	0	0	0	0	951,549
Reserve for repairs	68,994	0	0	0	0	0	68,994
Assigned	2,136,845	0	2,375,782	0	0	1,071,575	5,584,202
Unassigned	5,356,001	0	0	0	(8,868,072)	0	(3,512,071)
Total Fund Balance	23,660,250	0	2,390,186	2,917,970	(8,868,072)	1,071,575	21,171,909
TOTAL LIABILITIES AND FUND BALANCE	$ 32,908,960	$ 1,961,525	$ 2,506,346	$ 3,156,594	$ 1,520,930	$ 1,071,575	$ 43,125,930

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2026

Total fund balance - governmental funds balance sheet (page 17)	$	21,171,909
Add:		
Net pension assets - proportionate share (TRS and ERS) at year-end in District-wide statements under full accrual accounting		15,388,468
Pensions		4,304,806
Capital assets		132,973,551
Total		152,666,825
Deduct:		
Compensated absences		4,671,035
Other post-employment benefits		278,601,621
Accrued interest payable		867,083
Deferred bond premium		1,427,069
Lease liabilities		849,547
Bonds payable		52,890,000
Total		339,306,355
NET POSITION, GOVERNMENTAL ACTIVITIES	$	(165,467,621)

See notes to basic financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – 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	$ 81,574,814	$ 0	$ 0	$ 0	$ 0	$ 0	$ 81,574,814
Other tax items	3,443,753	0	0	0	0	0	3,443,753
Charges for services	538,995	0	0	0	0	0	538,995
Use of money and property	1,653,713	0	0	46,664	0	13,512	1,713,889
Sale of property and compensation for loss	7,594	0	0	0	0	0	7,594
Miscellaneous	601,543	0	3,710	82,877	0	955,898	1,644,028
State sources	41,907,752	2,033,160	1,736,295	0	0	0	45,677,207
Federal sources	145,825	1,803,501	801,314	0	0	0	2,750,640
Surplus food	0	0	70,939	0	0	0	70,939
Sales - school lunch	0	0	360,103	0	0	0	360,103
Total Revenues	129,873,989	3,836,661	2,972,361	129,541	0	969,410	137,781,962
EXPENDITURES							
General support	11,080,253	0	0	0	0	1,063,536	12,143,789
Instruction	66,229,898	3,626,901	0	0	0	0	69,856,799
Pupil transportation	5,664,398	407,455	0	0	0	0	6,071,853
Employee benefits	34,487,377	348,555	340,129	0	0	0	35,176,061
Debt service							
Principal	5,575,889	0	0	0	0	0	5,575,889
Interest	3,816,440	0	0	0	0	0	3,816,440
Cost of sales	0	0	1,716,663	0	0	0	1,716,663
Capital outlay	0	0	0	0	3,134,293	0	3,134,293
Total Expenditures	126,854,255	4,382,911	2,056,792	0	3,134,293	1,063,536	137,491,787
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,019,734	(546,250)	915,569	129,541	(3,134,293)	(94,126)	290,175
OTHER FINANCING SOURCES AND USES							
Proceeds from debt	0	0	0	0	17,105,000	0	17,105,000
Bond issuance costs	0	0	0	0	(220,665)	0	(220,665)
Premium on BANs	0	0	0	0	1,427,069	0	1,427,069
Operating transfers in	238,624	546,250	0	545,503	2,813,270	0	4,143,647
Operating transfers (out)	(3,359,520)	0	0	(238,624)	(545,503)	0	(4,143,647)
BANs redeemed from appropriations	0	0	0	0	2,011,645	0	2,011,645
Total Other Financing Sources (Uses)	(3,120,896)	546,250	0	306,879	22,590,816	0	20,323,049
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	(101,162)	0	915,569	436,420	19,456,523	(94,126)	20,613,224
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	23,761,412	0	1,474,617	2,481,550	(28,324,595)	1,165,701	558,685
FUND BALANCE (DEFICIT) - END OF YEAR	$ 23,660,250	$ 0	$ 2,390,186	$ 2,917,970	$ (8,868,072)	$ 1,071,575	$ 21,171,909

See notes to basic financial statements.

GUILDERLAND 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		
Governmental funds		$ 137,781,962
EXPENDITURES	$ 137,491,787	
Add:		
Depreciation and amortization	6,597,544	
Current year accrued interest expense	867,083	
Bond issuance costs	220,665	
Other post-employment benefits	4,026,021	
	11,711,313	
Deduct:		
Principal payments of long-term debt	3,564,244	
Prior year accrued interest	1,331,261	
Pensions	5,957,444	
Compensated absences	101,429	
BANs redeemed from appropriations	2,011,645	
Capital outlays	3,499,024	
	16,465,047	
EXPENDITURES - STATEMENT OF ACTIVITIES		132,738,053
CHANGE IN NET POSITION		$ 5,043,909

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Guilderland 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 Guilderland 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 nine 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 special revenue fund.

B) Joint Venture

The District is a component school district in Capital Region 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 that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

B) Joint Venture – (Continued)

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.

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 $8,975,553 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 $2,617,477.

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.

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

C) Basis of Presentation – (Continued)

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.

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 Revenue 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, child nutrition or 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.

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

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 – The Debt Service Fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

The District reports no fiduciary funds.

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 County of Albany. The County pays an amount representing uncollected real property taxes transmitted to the County 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. Eliminations have been made for all interfund receivables and payables between the funds.

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

G) Interfund Transactions – (Continued)

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 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

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.

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

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 approximate market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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
Land	$ 15,000	N/A	N/A
Buildings and improvements	15,000	Straight-line	30-50
Furniture and equipment	5,000	Straight-line	5
Buses	15,000	Straight-line	10

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

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.

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 two items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Positions. 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 second 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.

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)

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
District's proportionate share of the net pension asset (liability)	$ (1,761,765)	$ 15,388,468
District's portion of the Plan's total net pension asset (liability)	(0.0312273)%	0.259894%
Change in the proportion since the prior measurement date	0.0003236%	(0.000703)%

For the year ended June 30, 2026, the District recognized its proportionate share of pension expense of $1,889,719 for ERS and $(825,046) 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	$ 1,008,185	$ 8,066,988	$ 0	$ 0
Changes of assumptions	302,417	6,091,816	0	165,913
Net difference between projected and actual earnings on pension plan investments	0	0	3,158,941	12,018,355
Changes in proportion and differences between the District's contributions and proportionate share of contributions	405,349	212,721	156,136	142,604
District's contributions subsequent to the measurement date	550,696	5,070,348	0	0
Total	$ 2,266,647	$ 19,441,873	$ 3,315,077	$ 12,326,872

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)

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	$ 772,801	$ (3,239,523)
2028	(1,077,841)	(3,420,808)
2029	(630,040)	(695,481)
2030	(664,047)	1,343,745
2031	0	288,033
Thereafter	0	0

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.

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

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

Actuarial Assumptions – (Continued)

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:

	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

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)	$ (12,032,369)	$ (1,761,765)	$ 6,824,916

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	$ (29,569,137)	$ 15,388,468	$ 53,217,953

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.

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 $550,696.

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

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

Payables to the Pension Plan – (Continued)

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 $5,754,149.

Additional pension information can be found in Note 10.

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 $92,830 in unearned revenue at June 30, 2026.

Q) Vested Employee Benefits

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.

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

R) Other Benefits – (Continued)

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.

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.

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

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, construction or improvements of, and the right-to-use assets, net of any unexpended proceeds.

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 and the General Fund of $14,404 and $10,435, respectively.

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:

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

U) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District:

Debt Service

According to General Municipal Law §6-l, the Mandatory Reserve for Debt Service, this reserve 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.

Tax Certiorari Reserve

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

Unemployment Insurance

According to General Municipal Law §6-m, this reserve 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, this reserve 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.

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

U) Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

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.

Capital

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

Repairs

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

Workers' Compensation

According to General Municipal Law §6-j, this reserve must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds 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. 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.

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.

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

U) Equity Classifications – (Continued)

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 addresses 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.

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.

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

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, as described below:

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.

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.

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)

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. No supplemental appropriations occurred during the year.

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.

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

Capital Fund Deficit

The Capital Project had a deficit fund balance of $8,868,072. This will be funded when the District obtains permanent financing for its current capital projects.

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	15,492,010

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 $19,313,563 within the governmental funds.

NOTE 5 – INVESTMENT POOL

The District participates in multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, § 119-O, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2026, the School District held $22,690,404 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid and considered to be cash equivalents. The following amounts are included as restricted investments:

	Fund Amount
General	$ 22,338,375
CM Misc. Special Revenue	352,029
Total	$ 22,690,404

The above amount represents the cost of the investment pool shares and is considered to approximate fair value. The investment pools are SEC registered and categorically exempt from the New York State collateralization requirements.

NOTE 6 – 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	$ 779,749	$ 0	$ 0	$ 779,749
Construction in process	0	3,051,366	0	3,051,366
Total nondepreciable historical cost	779,749	3,051,366	0	3,831,115
Capital assets that are depreciated:				
Buildings and improvements	208,342,440	153,895	34,634	208,461,701
Furniture and equipment	24,138,213	336,325	828,939	23,645,599
Total depreciable historical cost	232,480,653	490,220	863,573	232,107,300
Less accumulated depreciation:				
Buildings	79,999,050	4,878,998	28,836	84,849,212
Furniture and equpiment	18,206,639	1,260,258	792,175	18,674,722
Total accumulated depreciation	98,205,689	6,139,256	821,011	103,523,934
Net depreciable historical cost	134,274,964	(5,649,036)	42,562	128,583,366
Right to use assets that are amortized:				
Equipment	2,225,187	0	0	2,225,187
Less accumulated amortization:				
Equipment	1,207,829	458,288	0	1,666,117
Net amortizable historical cost	1,017,358	(458,288)	0	559,070
GRAND TOTAL	$ 136,072,071	$ (3,055,958)	$ 42,562	$ 132,973,551

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

General support	$ 824,542
Instruction	5,198,426
Pupil transportation	421,519
School lunch program	153,057
TOTAL	$ 6,597,544

NOTE 7 – SHORT-TERM DEBT

Interest on short-term debt for the year was composed of:

Interest paid	$ 1,317,352
Less interest accrued in the prior year	(1,227,122)
Add interest accrued in the current year	383,935
TOTAL	$ 474,165

Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	7/25/2025	4.50%	$ 29,274,489	$ 0	$ 29,274,489	$ 0
BAN	7/24/2026	4.00%	0	10,304,140	0	10,304,140
TOTALS			$ 29,274,489	$ 10,304,140	$ 29,274,489	$ 10,304,140

NOTE 8 – LONG-TERM DEBT

Interest on long-term debt for the year was comprised of:

Interest paid	$ 2,499,088
Less interest accrued in the prior year	(104,139)
Add interest accrued in the current year	483,148
TOTAL EXPENSE	$ 2,878,097

NOTE 8 – LONG-TERM DEBT – (CONTINUED)

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:					
2017 Capital Improvements	$ 8,065,000	$ 0	$ 1,215,000	$ 6,850,000	$ 1,250,000
2020 Advance Refunding	1,410,000	0	180,000	1,230,000	185,000
2023 DASNY	22,895,000	0	1,295,000	21,600,000	1,360,000
2024 Tax Certiorari	6,520,956	0	415,956	6,105,000	430,000
2025 Capital Project	0	17,105,000	0	17,105,000	1,135,000
Leases Payable	1,307,835	0	458,288	849,547	377,544
Total bonds	40,198,791	17,105,000	3,564,244	53,739,547	4,737,544
Other liabilities:					
Other post-employment benefits	216,943,911	27,592,085	0	244,535,996	0
Compensated absences, net	4,772,464	0	101,429	4,671,035	736,123
Total other liabilities	221,716,375	27,592,085	101,429	249,207,031	736,123
TOTAL LONG-TERM LIABILITIES	$ 261,915,166	$ 44,697,085	$ 3,665,673	$ 302,946,578	$ 5,473,667

The current portion (amount due within one year) of other liabilities as of June 30, 2026, was not determinable.

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

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2026 Balance
2017 Capital Improvements	2017	2032	2.00-3.00%	$ 6,850,000
2020 Advance Refunding	2020	2032	2.25-4.00%	1,230,000
2023 DASNY	2023	2038	5.00%	21,600,000
2024 Tax Certiorari	2024	2039	5.00-5.25%	6,105,000
Capital Project	2025	2038	5.00%	17,105,000

	Principal	Interest	Total
Fiscal year ended June 30:			
2027	$ 4,360,000	$ 2,468,200	$ 6,828,200
2028	4,415,000	2,279,050	6,694,050
2029	4,600,000	2,084,775	6,684,775
2030	4,800,000	1,882,225	6,682,225
2031	4,975,000	1,671,200	6,646,200
2032 - 2036	19,200,000	5,374,169	24,574,169
2037 - 2039	10,540,000	833,138	11,373,138
TOTALS	$ 52,890,000	$ 16,592,757	$ 69,482,757

NOTE 8 – LONG-TERM DEBT – (CONTINUED)

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.

The following is a summary of the maturity of leases:

Description of Issue	Lease	Lease
Issue date	11/21/2022	5/22/2023
Final maturity	10/15/2026	4/28/2027
Interest rate	5.040%	4.450%
Outstanding at year end	$ 23,529	$ 83,803

Description of Issue	Lease	Lease	Lease
Issue date	3/25/2024	4/16/2024	4/25/2025
Final maturity	1/28/2029	4/15/2028	4/28/2029
Interest rate	5.620%	5.100%	4.660%
Outstanding at year end	$ 21,557	$ 198,535	$ 522,123

	Principal	Interest	Total
Fiscal year ended June 30:			
2027	$ 377,544	$ 33,732	$ 411,276
2028	283,595	17,548	301,143
2029	188,408	5,534	193,942
TOTALS	$ 849,547	$ 56,814	$ 906,361

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 2,303,616	$ 0	$ 238,624	$ 3,359,520
Special Aid Fund	0	1,946,398	546,250	0
School Lunch Fund	0	103,594	0	0
Debt Service Fund	0	238,624	545,503	238,624
Capital Projects Fund	0	15,000	2,813,270	545,503
TOTALS	$ 2,303,616	$ 2,303,616	$ 4,143,647	$ 4,143,647

Interfund receivables and payables 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 10 – 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 10 – PENSION PLANS – (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 14.7% of covered payroll for the ERS' fiscal year ended March 31, 2026.

	NYSTRS	NYSERS
2025-2026	$ 5,070,348	$ 1,922,508
2024-2025	5,130,418	1,637,610
2023-2024	4,828,338	1,429,842

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2026 was $5,070,348 for the TRS at the contribution rate of 9.59% and $1,922,508 for the ERS at an average contribution rate of 14.7%.

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

Additional pension information can be found in Note 1 O.

NOTE 11 – 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 11 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (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	577
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	846
Total	1,423

Net OPEB Liability:

The District's total OPEB liability of $244,535,996 was measured as of June 30, 2026, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 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	6.75% for 2024 to 2025 followed by 6.5% from 2025 to 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 11 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Changes in the Total OPEB Liability:

Balance at June 30, 2025	$ 216,943,911
Changes for the year:	
Service cost	6,154,643
Interest	10,551,406
Changes in benefit terms	0
Differences between expected and actual experience	505,164
Changes in assumptions or other inputs	17,938,837
Benefit payments	(7,557,965)
Net changes	27,592,085
Balance at June 30, 2026	$ 244,535,996

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	$ 288,571,370	$ 244,535,996	$ 209,992,785

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	$ 203,741,487	$ 244,535,996	$ 297,867,256

NOTE 11 – 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 OPEB expense of $4,026,021. 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	$ 5,446,087	$ 14,500,124
Changes of assumptions or other inputs	22,092,682	47,104,270
Total	$ 27,538,769	$ 61,604,394

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	$ (15,219,928)
2028	(15,978,249)
2029	(5,861,270)
2030	9,683
2031	349,280
Thereafter	2,634,859
Total	$ (34,065,625)

NOTE 12 – 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.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Litigation

The District has also been named as a defendant in certain other actions. The District intends to defend itself vigorously in each of these cases and management believes that the entire amount will be covered by insurance. Accordingly, no loss contingency has been accrued.

Other 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 audits, the District's administration believes disallowances, if any, will be immaterial.

NOTE 14 – TAX ABATEMENTS

The County of Albany 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 not reduced as a result of these items. The District received Payment in Lieu of Tax (PILOT) payment totaling $104,880.

NOTE 15 – RESTATEMENT

For the fiscal year June 30, 2026, the District's net position has been restated as follows:

	Government-wide Statement of Net Position
Net Position, beginning of year as previously stated	$ (170,221,054)
Lease liability not previously recorded	(290,476)
Net Position, beginning of year as restated	$ (170,511,530)

NOTE 16 – 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.

GUILDERLAND 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 Over (Under)	Final Budget Variance with to Actual Over (Under)
REVENUES:					
Local Sources					
Real property taxes	$ 84,899,899	$ 84,899,899	$ 81,574,814	$ 0	$ (3,325,085)
Real property tax items	110,618	110,618	3,443,753	0	3,333,135
Charges for services	342,500	342,500	538,995	0	196,495
Use of money and property	604,230	604,230	1,653,713	0	1,049,483
Sale of property and compensation for loss	0	0	7,594	0	7,594
Miscellaneous	371,630	371,630	601,543	0	229,913
Total Local Sources	86,328,877	86,328,877	87,820,412	0	1,491,535
State Sources	40,915,217	40,915,217	41,907,752	0	992,535
Federal Sources	125,000	125,000	145,825	0	20,825
Total Revenues	127,369,094	127,369,094	129,873,989	0	2,504,895
OTHER FINANCING SOURCES					
Transfers from other funds	367,960	367,960	238,624	0	(129,336)
Total Revenues and Other Financing Sources	127,737,054	127,737,054	130,112,613	$ 0	$ 2,375,559

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

GUILDERLAND 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 (Over) Under	Final Budget Variance With Actual Expenditures Including Encumbrances (Over) Under
EXPENDITURES							
General Support							
Board of Education	70,845	141,238	141,003	$ 0	$ 141,003	$ 70,393	$ 235
Central administration	306,675	301,774	301,181	0	301,181	(4,901)	593
Finance	923,278	960,203	957,471	0	957,471	36,925	2,732
Staff	1,142,008	1,200,945	1,191,532	480	1,192,012	58,937	8,933
Central services	7,710,622	7,441,835	7,262,418	74,439	7,336,857	(268,787)	104,978
Special items	1,180,931	1,226,674	1,226,648	0	1,226,648	45,743	26
Instructional							
Instruction, administration and improvements	4,601,866	4,613,041	4,550,658	525	4,551,183	11,175	61,858
Teaching – regular school	38,184,360	38,072,978	37,807,282	6,818	37,814,100	(111,382)	258,878
Programs for children with handicapping conditions	14,901,147	15,290,819	15,268,536	6,540	15,275,076	389,672	15,743
Occupational education	1,230,250	1,123,920	1,123,920	0	1,123,920	(106,330)	0
Teaching - special school	113,765	101,205	93,015	0	93,015	(12,560)	8,190
Instructional media	3,043,978	2,939,535	2,866,024	23,403	2,889,427	(104,443)	50,108
Pupil services	4,525,318	4,604,729	4,520,463	0	4,520,463	79,411	84,266
Pupil Transportation	5,836,294	5,695,717	5,664,398	2,500	5,666,898	(140,577)	28,819
Employee Benefits	35,027,849	34,493,720	34,487,377	0	34,487,377	(534,129)	6,343
Debt Service	8,173,206	9,392,332	9,392,329	0	9,392,329	1,219,126	3
Total Expenditures	126,972,392	127,600,665	126,854,255	114,705	126,968,960	628,273	631,705
Other Financing Uses							
Transfers to other funds	575,000	3,359,520	3,359,520	0	3,359,520	2,784,520	0
Total Expenditures and Other Uses	127,547,392	130,960,185	130,213,775	$ 114,705	$ 130,328,480	$ 3,412,793	$ 631,705
NET CHANGE IN FUND BALANCE	189,662	(3,223,131)	(101,162)				
FUND BALANCE – BEGINNING	23,761,412	23,761,412	23,761,412				
FUND BALANCE – ENDING	$ 23,951,074	$ 20,538,281	$ 23,660,250				

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

GUILDERLAND 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	
There were no significant variances from original budget to final budget.	
Budgetary Expenditures	
Differences – original budget to final budget	
General Support	
Board of Education	$ 70,393
BOCES services and materials for election services was not part of the budget.	
Staff	58,937
BOCES budget for Print Management, Web Hosting, and Communication services was higher than budget.	

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

General Fund – (Continued)

	Amount
Budgetary Expenditures	
Differences – original budget to final budget	
General Support	
Central Services BOCES computer services were less than anticipated.	(268,787)
Instructional	
Teaching – Regular School Teaching grades 7 – 12 accounted for most of the surplus budget.	(111,382)
Programs for Children with Handicapping Conditions Both Private and BOCES incurred unanticipated expenses which were offset by less than anticipated salary expenses.	389,672
Employee Benefits The principal reason for this favorable variance was due to health care costs.	(534,129)
Debt Service The District does not budget for Library debt since it is offset by Library tax revenue. Also, lease expenses are not budgeted but are reclassed from BOCES instructional administration.	1,219,126
Other Financing Uses The budget was increased to cover Capital Reserve transfers.	2,784,520

GUILDERLAND 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 Due to Transportation Service Charge for Other Districts.	$ 196,495
Use of Money and Property Interest earnings increased more than anticipated due to higher interest yields.	1,049,483
Miscellaneous Medicare Part D and BOCES Surplus Aid was higher than anticipated.	229,913
State Sources Larger anticipated increases in Excess Cost Aid, Homeless Aid, and prior year adjustments in aid.	992,535
Budgetary Expenditures	
Differences – final budget to actual results	
There were no significant variances from final budget to actual results.	

GUILDERLAND CENTRAL SCHOOL DISTRICT

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	$ 6,154,643	$ 7,342,648	$ 7,211,633	$ 8,448,285	$ 12,355,864	$ 15,265,106	$ 9,853,908	$ 4,407,573	$ 4,595,077
Interest	10,551,406	9,555,466	9,074,341	8,962,507	6,797,716	7,671,542	8,971,076	6,864,335	6,283,921
Change of benefit terms	0	(15,095)	0	(2,079,707)	0	(258,975)	0	0	0
Differences between expected and actual experience	505,164	5,645,193	453,380	(28,477,992)	(124,072)	(15,818,793)	257,619	6,495,599	0
Change of assumptions or other inputs	17,938,837	(21,644,250)	(2,830,538)	(12,618,703)	(70,694,789)	(30,940,839)	72,373,862	60,448,856	(8,866,954)
Benefit payments	(7,557,965)	(7,063,372)	(6,517,200)	(6,409,407)	(5,532,871)	(5,324,236)	(5,309,601)	(5,582,170)	(3,621,119)
Net change in total OPEB liability	27,592,085	(6,179,410)	7,391,616	(32,175,017)	(57,198,152)	(29,406,195)	86,146,864	72,634,193	(1,609,075)
Total OPEB Liability - beginning	216,943,911	223,123,321	215,731,705	247,906,722	305,104,874	334,511,069	248,364,205	175,730,012	177,339,087
Total OPEB Liability - ending	$244,535,996	$216,943,911	$223,123,321	$215,731,705	$247,906,722	$305,104,874	$334,511,069	$248,364,205	$175,730,012
Covered-employee payroll	$ 62,207,655	$ 60,719,605	$ 59,160,580	$ 56,924,770	$ 54,357,140	$ 51,837,817	$ 53,535,808	$ 52,122,465	$ 49,786,541
Total OPEB liability as a percentage of covered-employee payroll	393.10%	357.29%	377.15%	378.98%	456.07%	588.58%	624.84%	476.50%	352.97%
Plan's fiduciary net position	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net OPEB Liability	$244,535,996	$216,943,911	$223,123,321	$215,731,705	$247,906,722	$305,104,874	$334,511,069	$248,364,205	$175,730,012

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

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 Teachers' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.259894%	0.260597%	0.259161%	0.262622%	0.265995%	0.260772%	0.255138%	0.254090%	0.248493%	0.248206%
District's proportionate share of the net pension liability (asset)	$(15,388,468)	$ (7,775,182)	$ 2,963,728	$ 5,039,440	$(46,094,363)	$ 7,205,845	$ (6,628,507)	$ (4,594,612)	$ (1,888,791)	$ 2,658,388
District's covered-employee payroll	53,167,510	51,030,178	49,758,596	47,864,810	46,524,286	45,147,859	44,262,822	42,680,564	41,388,367	39,375,708
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(28.9%)	(15.2%)	6.0%	10.5%	99.1%	16.0%	(15.0%)	(10.8%)	(4.6%)	6.8%
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%

NYS Employees' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.0312273%	0.0309037%	0.0330707%	0.0315672%	0.0301646%	0.0295474%	0.0306911%	0.0304254%	0.0320804%	0.0309041%
District's proportionate share of the net pension liability (asset)	$ 1,761,765	$ 5,298,662	$ 4,869,343	$ 6,769,272	$ (2,465,829)	$ 29,422	$ 8,127,187	$ 2,155,731	$ 1,035,377	$ 2,903,817
District's covered-employee payroll	13,079,149	12,043,936	11,887,225	11,193,858	9,398,051	9,777,047	9,782,830	9,582,284	9,556,753	9,885,176
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	13.5%	44.0%	41.0%	60.5%	26.2%	0.3%	83.1%	22.5%	10.8%	29.4%
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%

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

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 Teachers' Retirement

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 5,098,764	$ 5,159,151	$ 4,856,439	$ 4,925,289	$ 4,559,380	$ 4,302,591	$ 3,921,686	$ 4,532,676	$ 4,056,048	$ 4,614,833
Contributions in relation to the contractually required contribution	5,098,764	5,159,151	4,856,439	4,925,289	4,559,380	4,302,591	3,921,686	4,532,676	4,056,048	4,614,833
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 53,167,510	$ 51,030,178	$ 49,758,596	$ 47,864,810	$ 46,524,286	$ 45,147,859	$ 44,262,822	$ 42,680,564	$ 41,388,367	$ 39,375,708
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%

NYS Employees' Retirement

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 1,922,508	$ 1,637,610	$ 1,429,842	$ 1,161,690	$ 1,267,724	$ 1,525,512	$ 1,397,185	$ 1,386,816	$ 1,370,679	$ 1,393,056
Contributions in relation to the contractually required contribution	1,922,508	1,637,610	1,429,842	1,161,690	1,267,724	1,525,512	1,397,185	1,386,816	1,370,679	1,393,056
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 13,079,149	$ 12,043,936	$ 11,887,225	$ 11,193,858	$ 9,398,051	$ 9,777,047	$ 9,782,830	$ 9,582,284	$ 9,556,753	$ 9,885,176
Contribution as a percentage of covered-employee payroll	14.70%	13.60%	12.03%	10.38%	13.49%	15.60%	14.28%	14.47%	14.34%	14.09%

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2026

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET	
ADOPTED BUDGET	$ 127,547,392
ADDITIONS:	
Prior year's encumbrances	233,523
Appropriated reserve	2,613,270
Taxes from library for library debt	566,000
FINAL BUDGET	$ 130,960,185

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2026

2026-2027 voter-approved expenditure budget	$ 133,900,025
Maximum allowed (4% of 2026-2027 budget)	5,356,001
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	2,136,845
Unassigned fund balance	5,356,001
Total unrestricted fund balance	7,492,846
Less:	
Appropriated fund balance	2,022,140
Encumbrances included in assigned fund balance	114,705
Total Adjustments	2,136,845
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 5,356,001
Actual percentage	4.0%

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2026

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			Fund Balances
			Prior Year	Current Year	Total		Local Sources	State Aid	Proceeds of Obligations	
Major Projects										
Project #0136-GHS Energy/Wireless	$ 255,000	$ 355,000	$ 349,017	$ 5,983	$ 355,000	$ 0	$ 200,000	$ 0	$ 155,000	$ 0
Project #0136-2013 Capital Improv & Tech	730,210	18,709,996	18,570,472	139,525	18,709,997	(1)	10,000	0	18,699,997	0
Project #9BA1-2014 Smart Schools Bond Act	433,785	1,499,457	1,747,660	58,493	1,806,153	(306,696)	0	1,806,153	0	0
Project #2018 Capital District Wide Project	3,365,700	30,926,000	30,889,037	43,508	30,932,545	(6,545)	3,372,245	0	27,560,300	0
Project #-2021 Capital District Wide Project	18,570,835	21,763,469	19,421,889	278,760	19,700,649	2,062,820	0	0	19,700,649	0
Project #-4012 Guilderland Public Library	6,953,698	6,953,698	6,758,441	0	6,758,441	195,257	0	0	673,698	(6,084,743)
Project #5036 Bleacher Project	173,128	173,128	0	173,129	173,129	(1)	173,128	0	0	(1)
Project #2025 Capital Project	52,700,000	52,700,000	0	2,897,470	2,897,470	49,802,530	2,813,270	0	0	(84,200)
	83,182,356	133,080,748	77,736,516	3,596,868	81,333,384	51,747,364	6,568,643	1,806,153	66,789,644	(6,168,944)
Non-Major Projects										
Bus Purchase (2013)	1,013,000	1,011,571	1,008,852	0	1,008,852	2,719	0	0	1,011,571	2,719
Bus Purchase (2015)	1,125,000	1,125,000	1,111,671	0	1,111,671	13,329	0	0	1,125,000	13,329
Bus Purchase (2016)	1,156,000	1,156,000	1,152,989	0	1,152,989	3,011	0	0	1,156,000	3,011
Bus Purchase (2017)	1,071,500	1,067,440	1,067,058	0	1,067,058	382	0	0	1,067,440	382
Bus Purchase (2019)	939,400	939,400	939,077	0	939,077	323	0	0	939,400	323
Bus Purchase (2020)	983,300	983,300	983,075	0	983,075	225	0	0	983,300	225
Bus Purchase (2021)	1,033,200	1,033,200	1,033,200	0	1,033,200	0	0	0	826,560	(206,640)
Bus Purchase (2022)	976,000	976,000	972,429	0	972,429	3,571	0	0	585,600	(386,829)
Bus Purchase (2023)	1,206,000	1,210,060	1,210,060	0	1,210,060	0	0	0	486,460	(723,600)
Bus Purchase (2024)	1,688,500	1,688,500	1,656,820	0	1,656,820	31,680	0	0	337,700	(1,319,120)
Bus Purchase (2025)	1,352,700	1,352,700	0	82,928	82,928	1,269,772	0	0	0	(82,928)
	12,544,600	12,543,171	11,135,231	82,928	11,218,159	1,325,012	0	0	8,519,031	(2,699,128)
TOTALS	$ 95,726,956	$ 145,623,919	$ 88,871,747	$ 3,679,796	$ 92,551,543	$ 53,072,376	$ 6,568,643	$ 1,806,153	$ 75,308,675	$ (8,868,072)

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

GUILDERLAND CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2026

CAPITAL ASSETS, NET		$ 132,973,551
DEDUCT:		
Bond anticipation notes payable	$ 10,304,140	
Less: Unspent bond anticipation notes proceeds	(1,520,930)	
Unamortized bond premium	1,427,069	
Short-term portion of bonds payable	4,360,000	
Short-term portion of leases payable	377,544	
Long-term portion of bonds payable	42,425,000	
Long-term portion of leases payable	472,003	
		57,844,826
NET INVESTMENT IN CAPITAL ASSETS		$ 75,128,725

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

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
Guilderland Central School District
Guilderland Center, 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 Guilderland 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 November 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Guilderland 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 Guilderland Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Guilderland 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 Guilderland 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
November 10, 2026

GUILDERLAND 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
Guilderland Central School District
Guilderland, 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 Guilderland 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
November 10, 2026

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2026

ASSETS	
Cash	$ 344,406
TOTAL ASSETS	$ 344,406
LIABILITIES AND CLUB BALANCES	
Club balances	$ 344,406
TOTAL LIABILITIES AND CLUB BALANCES	$ 344,406

See note to financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE EAR ENDED JUNE 30, 2026

	Balance July 1, 2025	Receipts	Disbursements	Balance June 30, 2026
Senior High School:				
Class of '25	$ 1,202	$ 0	$ 1,202	$ 0
Class of '26	4,040	40,919	44,959	0
Class of '27	9,660	35,820	32,913	12,567
Class of '28	9,431	12,574	10,134	11,871
Class of '29	0	4,962	400	4,562
Class of '30	0	4,977	0	4,977
Alliance	7	58	2	63
Animal Conservation	94	0	0	94
Donate Life	60	0	0	60
Art Club	24	38	0	62
Invest In Your Future	4,107	1,731	0	5,838
Shakespeare Society	2,566	0	360	2,206
Asian Student Union	327	0	54	273
Feminist Club	144	0	15	129
Film Club	635	0	0	635
Badminton Club	2	0	2	0
Best Buddies	847	0	445	402
Black Student Union	113	0	0	113
Chem Club	714	0	68	646
International Club	4,010	7,175	5,867	5,318
Other School Accounts	38,229	48,487	50,985	35,731
Take a Look at Teaching	15	0	0	15
Sports Teams	7,859	10,773	11,189	7,443
French Club	0	1,750	1,587	163
Garden Club	2,587	1,509	1,027	3,069
Italian Club	1,903	1,256	678	2,481
Med Cross Club	79	0	0	79
Girls 4 Sports	207	0	0	207
Guilderland Players	12,866	59,792	62,498	10,160
Math League	372	0	0	372
Journal	9,841	0	0	9,841
Environmental Club	1,830	0	0	1,830
Key Club	1,696	3,793	4,676	813
Love for Our Elders	197	0	0	197
Media Club	103	710	309	504
Model UN	18,379	51,294	35,250	34,423
Music Department	316	44,116	40,880	3,552
Muslim Student Association	366	0	0	366
National Honor Society	3,008	18,909	18,830	3,087
National Art Honor Society	216	275	234	257
Northstars	45	0	0	45
Photo Club	161	0	59	102
Pickelball Club	695	722	240	1,177
SADD	522	303	124	701
Science Olympiad	336	522	536	322
Ski Club	2,907	44,935	47,807	35
Student Government	7,146	368	1,590	5,924
Pulse (formerly Static)	121	0	0	121
Youth Activation Club	2,041	0	202	1,839
Yearbook Account	22,818	19,763	21,246	21,335
Vex Robotics	830	3,618	4,396	52
Total Senior High School	175,674	421,149	400,764	196,059

See note to financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID – (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2026

	Balance July 1, 2025	Receipts	Disbursements	Balance June 30, 2026
Middle School:				
All Team Accounts	11,077	114,996	109,939	16,134
TV News Club	6	0	0	6
FMS Mask	29,432	26,228	24,772	30,888
Jr. Ski Club	5,449	16,978	17,126	5,301
Student Council	2,669	11,270	13,100	839
Organic Garden	1,192	100	613	679
Yearbook	5,364	1,212	61	6,515
Enrichment	118	0	21	97
Student Funds	38,737	53,361	51,810	40,288
Total Middle School	94,044	224,145	217,442	100,747
Elementary School:				
Altamont Elementary Fund	7,045	3,032	2,782	7,295
Guilderland Elementary Fund	13,969	8,814	8,014	14,769
Lynnwood Elementary Fund	2,784	6,221	5,725	3,280
Pine Bush Elementary Fund	5,512	21,197	21,378	5,331
Westmere Elementary Fund	14,209	15,874	13,158	16,925
Total Elementary School	43,519	55,138	51,057	47,600
Total Extraclassroom Activity Clubs	$ 313,237	$ 700,432	$ 669,263	$ 344,406

See note to financial statements.

GUILDERLAND CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTE 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 Guilderland Central School District. The related year end cash balances are shown as part of the Special Revenue Fund with the offset being shown as liabilities. The Extraclassroom Activity Funds of Guilderland 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.

The books and records of the Guilderland 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.

November 10, 2026

To the President and the Other Members
of the Board of Education of the
Guilderland Central School District
Guilderland, New York

Re: Management Letter
June 30, 2026

In planning and performing our audit of the basic financial statements of the Guilderland 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. Disbursements

Prior Comment: Our June 30, 2025 audit testing of a random sample of 40 disbursements noted the following:

a. One claim form was missing the claimant's signature.

b. Eight purchase orders were dated after the invoice date.

Status: Our June 30, 2026 audit testing of a random sample of 40 disbursements noted 7 purchase orders were dated after the invoice.

Recommendation: We recommend that management ensure that orders are being properly approved prior to being placed by an employee.

2. **Employee I-9 Forms**

Prior Comment: Our June 30, 2025 audit testing of a random sample of 40 employees noted that two employees tested had not signed their I-9.

Status: Our June 30, 2026 audit testing of a random sample of 40 employees noted that one I-9 lacked the employer signature and one I-9 lacked appropriate employee identification.

Recommendation: We recommend that the District ensure that all employees have complete I-9 forms on file.

3. **Extraclassroom Activity**

Prior Comment: Our June 30, 2025 audit testing of a sample of 40 extraclassroom receipts and 40 extraclassroom disbursements noted the following:

a. One disbursement was missing supporting documentation.

b. One receipt was missing supporting documentation.

c. 11 receipts did not have profit & loss forms completed for the fundraisers.

d. Four receipts did not have inventory control forms completed.

e. Two disbursements failed to pay sales tax on taxable purchases.

f. There were many instances where required signatures were not present.

Status: Our June 30, 2026 audit testing of a sample of 40 extraclassroom receipts and 40 extraclassroom disbursements noted the following:

a. 3 receipts did not have profit & loss forms completed for the fundraisers.

b. One receipt failed to collect and remit sales tax on taxable sales.

c. Two disbursements failed to pay sales tax on taxable purchases.

d. There were many instances where required signatures were not present.

Recommendation: We recommend that the District train all advisors with the NYS requirements for extraclassroom activities as described in NYS Pamphlet #2.

* * * * * * * * * * * * * * * * * *

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