VOORHEESVILLE CENTRAL SCHOOL DISTRICT

Financial Statements
As of and For the Year Ended
June 30, 2025
Together with Independent Auditor's Reports

Bonadio & Co., LLP
Accounting, Consulting & More

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

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Bonadio & Co., LLP
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INDEPENDENT AUDITOR'S REPORT

November 3, 2025

To the Board of Education of
Voorheesville Central School District:

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 Voorheesville Central School District Voorheesville Central School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School 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 Voorheesville Central School District, as of June 30, 2025, 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 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 Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 14 to the financial statements, during the year ended June 30, 2025, the School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101 – *Compensated Absences.* The change in accounting principle resulted in a prior period adjustment to beginning of the year net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management for the Financial Statements **(Continued)**

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 School 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a 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 auditor's 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 School 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 may raise substantial doubt about the School 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 general accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension (asset) liability and contributions – pension plans and changes in total OPEB liability, and related ratios 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 by placing the basic financial statements in an appropriate operational, economic, or historic context.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

***Required Supplementary Information* (Continued)**

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 response 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 School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit – General Fund, Schedule of Project Expenditures – Capital Projects Fund and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2025, on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2025. 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, as well as a comparative analysis to prior year information. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- The School District experienced an increase of $596,518 in total net position during the year. This increase was primarily due to recognizing other post-employment benefits, depreciation of capital assets and pension costs.

- The School District's 2024-2025 actual revenue exceeded budgeted revenue by $880,679.

- The School District's 2024-2025 expenditures including encumbrances were under expended by $2,103,842 due in most part to savings in interfund transfer expenses in support of anticipated capital fund needs, realized savings in BOCES services, and other operational and instructional costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basis 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 entity-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 operation in more detail than the entity-wide statements.

- The governmental fund statements tell how basic services, such as instruction and support functions, were financed in the short-term, as well as what remains for future spending.

- Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others, including the employees of the School District.

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 shows how the various parts of this annual report for arranged and related to each other.

Table A-1 Organization of the School District's Annual Financial Report

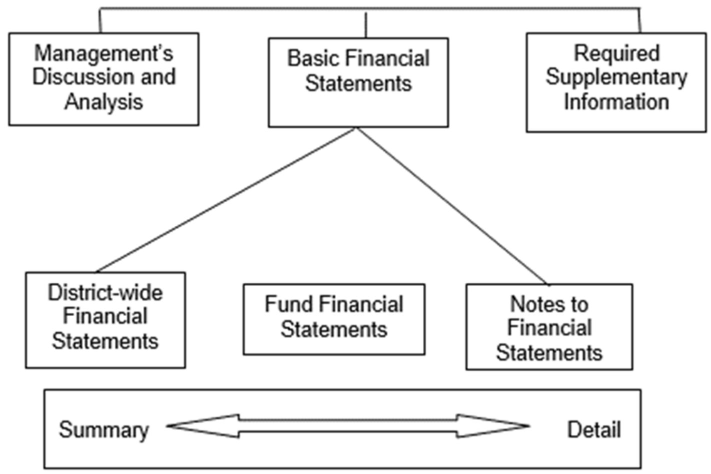


Table A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Table A-2 Major Features of the School District's District-Wide Fund Financial Statements

		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the School District, such as instruction and special education.	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balance	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/ deferred inflows-outflows of resources/ liability information	All assets, deferred inflows/ outflows of resources, and liabilities, both financial and capital, short-term and long-term debt.	Assets, deferred inflows/ outflows of deferred resources, and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/ outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

School District-Wide Statements

The School 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 inflow/outflows of resources, and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two School District-wide statements report the School District's net position and how they have changed. Net position - the difference between the School District's assets, deferred inflow/outflows of resources, and liabilities - 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 bases and the condition of buildings and other facilities, should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account-groups and do not affect the fund balances.

School District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
  - Net position invested in capital assets, net of related debt.
  - Restricted net position are those with constraints placed on use by external sources or imposed by law.
  - Unrestricted net position are those that do not meet any of the above restrictions.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's 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. The funds have been established by the State of New York.

The School District has two kinds of funds:

- Governmental Funds: Most of the School District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be 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 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 School District wide statements, additional information at the bottom of 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, federal fund, school lunch fund, debt service, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's net position as of June 30, 2025, are as detailed in Tables A-3 and A-4.

Table A-3 Condensed Statements of Net Position - Governmental Activities (in Thousands)

	Fiscal Year 2025	Fiscal Year 2024 (Restated)	Percent Change
Current assets	$ 18,176	$ 12,023	51%
Noncurrent assets	31,915	22,294	43%
Total assets	50,091	34,318	46%
Deferred outflows of resources	17,034	23,885	-29%
Current liabilities	21,027	7,476	181%
Long-term liabilities	79,388	86,331	-8%
Total liabilities	100,415	93,807	7%
Deferred inflows of resources	29,361	27,643	6%
Net position:			
Investment in capital assets, net of related debt	17,888	15,093	19%
Restricted	15,094	7,346	105%
Unrestricted	(95,632)	(85,687)	12%
Total net position	$ (62,650)	$ (63,247)	-1%

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Changes in Net Position

The School District paid down $732,671 in long-term debt during 2024-2025.

Operating results remain relatively consistent with the prior year (see Table A-4). The current year decrease in net position was mainly due other post-employment benefits.

The School District's fiscal year 2025 revenue totaled $33,361,125 (see Table A-4). Property taxes and state aid accounted for most of the School District's revenue by contributing 63% and 27%, respectively, of every dollar raised (see Table A-5). The remainder came from fees charged for services, interest earnings, the BOCES refund, and other miscellaneous sources.

The total cost of all programs and services totaled $32,764,607 for fiscal year 2025.

Table A-4 Changes in Net Position from Operating Results Governmental Activities Only (in Thousands)

	Fiscal Year 2025	Fiscal Year 2024	Percentage Change
Revenue:			
Charges for services	$ 632	$ 554	14%
Operating grants	817	1,068	-23%
General revenue:			
Real property taxes	20,125	18,713	8%
Other tax items	894	1,060	-16%
Use of money and property	998	290	244%
State sources	9,098	7,293	25%
Federal sources	98	58	67%
Other	699	550	27%
Total revenue	33,361	29,585	13%
Expenses:			
General support	5,187	5,741	-10%
Instruction	23,665	24,759	-4%
Pupil transportation	2,326	2,070	12%
Community service	37	31	20%
Debt service	692	117	491%
Cost of sales	858	800	7%
Total expenses	32,765	33,518	-2%
Change in net position	$ 597	$ (3,933)	-115%

Table A-5 Sources of Revenue for Fiscal Year 2025

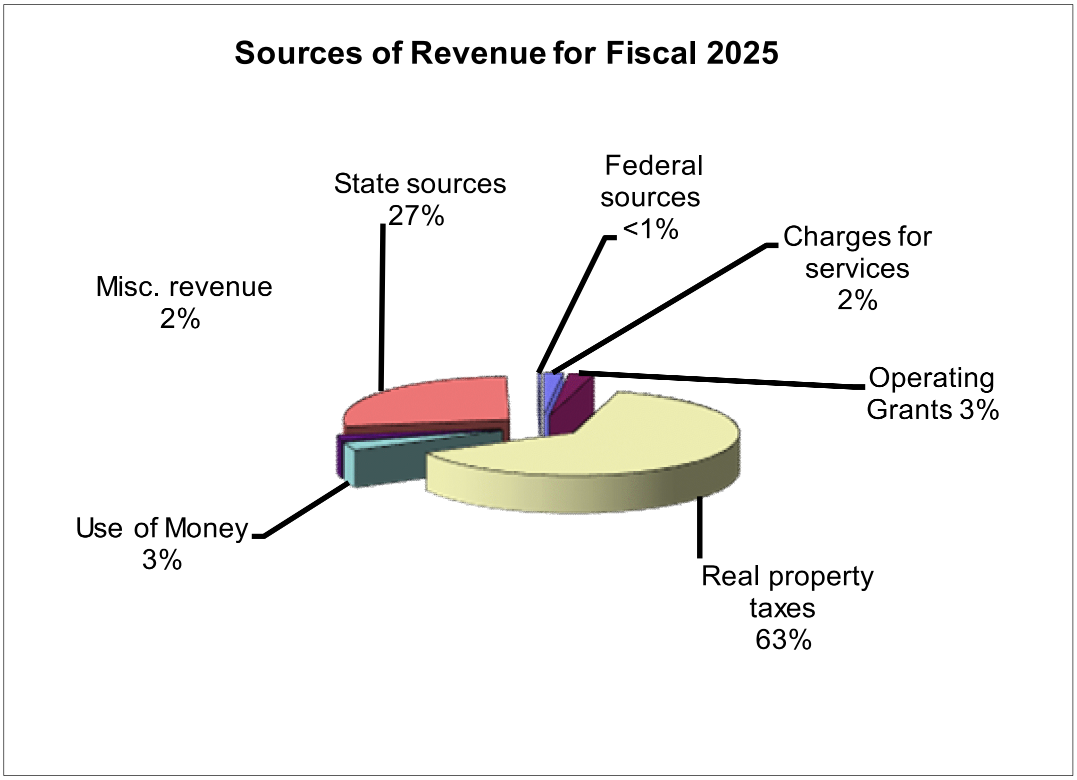
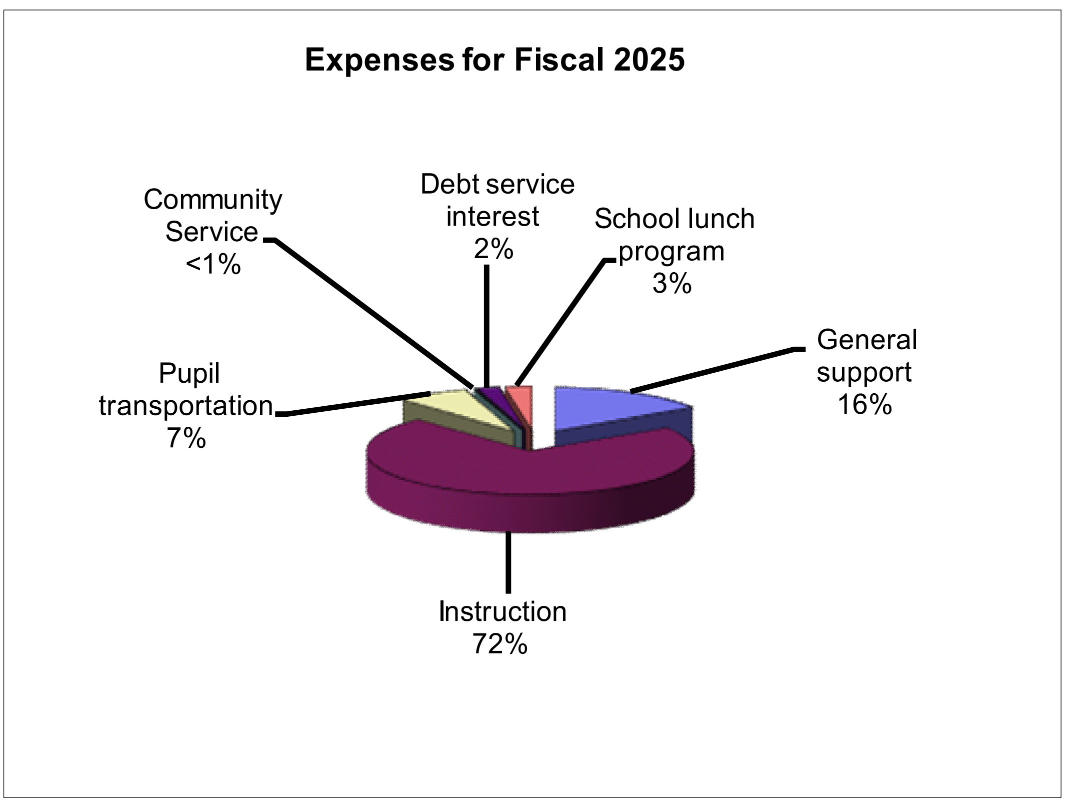


Table A-6 Expenditures for Fiscal Year 2025



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Activities

Revenue for the School District's governmental activities totaled $33,361,125 while total expenses equaled $32,764,607. This resulted in an increase of net position of $596,518. The School District's current year financial condition can be attributed to:

- Continued requirement to record OPEB liability in accordance with GASB 75.
- Deferred outflows and inflows recorded in accordance with GASBs 68 and 71.
- Long range planning on the part of the administration.
- Community support of the School District, as evidenced by its approval of the School District's annual budgets for twenty-three consecutive years.
- Continuing state and federal aid.
- Use of services from BOCES and subsequent year's BOCES aid.

Table A-7 presents the cost of five major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-7 Net Cost of Governmental Activities (in Thousands)

	2025		2024	
Category	Total Cost	Net Cost	Total Cost	Net Cost
General support	$ 5,187	$ 5,187	$ 5,100	$ 5,100
Instruction	23,665	22,834	25,608	24,808
Pupil transportation	2,326	2,326	2,199	2,199
Debt service	692	692	152	152
Other	895	277	903	268
Total	$ 32,765	$ 31,315	$ 33,962	$ 32,527

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the School District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

Governmental Funds Highlights

General Fund - Expenditures exceeded revenues by $933,855.

Federal Fund - School District expenditures of $704,061 were funded primarily by state and federal grants.

School Lunch Fund - The School District's school lunch operations did receive a general fund subsidy in the 2024-2025 year and had a fund balance of $16,410.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights (Continued)

Capital Projects Fund - In fiscal year 2025, majority of the expenditures related to the transportation bus garage capital project which was voter approved in December 2022. There was an increase in capital expenditures in current year due to the start of this project.

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

Table A-8 General Fund Budgetary Highlights (in Thousands)

	Original Budget	Final Budget	Actual	Variance (Actual/ Budget)
Revenue:				
Local sources	$ 21,565	$ 21,565	$ 22,408	$ 843
State sources	9,006	9,006	8,996	(10)
Federal sources	50	50	98	48
Total	30,620	30,620	31,501	881
Expenses:				
General support	3,724	3,977	3,636	(341)
Instruction	16,354	16,115	15,294	(821)
Transportation	1,386	1,459	1,446	(12)
Community service	77	77	37	(40)
Employee benefits	8,893	9,065	8,549	(516)
Debt service	878	878	1,136	258
Transfers out	3,170	3,170	2,336	(834)
Total	34,482	34,742	32,435	(2,307)
Revenue over expense	$ (3,862)	$ (4,122)	$ (934)	$ 3,188

The General Fund is the only fund for which a budget is legally adopted. The School District's 2024-2025 actual revenue was more than its budgeted revenue by $880,679 due primarily to increased interest earnings and a combination of BOCES revenue received over budgeted amounts, as well as use of facility fees and tuition fees.

The School District's 2024-2025 expenditures, including encumbrances, were under expended by $2,103,842 due in most part to savings in interfund transfer expenses in support of anticipated capital fund needs, realized savings in BOCES services, and other operational and instructional costs.

Capital Assets

At the end of 2025, the School District had an investment of $30,162,284 in a broad range of capital assets.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Table A-9 Capital Assets (Net of Depreciation in Thousands)

Category	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Land	$ 274	$ 274	0%
Construction in progress	19,223	10,828	78%
Building	8,232	8,699	-5%
Equipment and furniture	1,928	1,749	10%
Lease liability	506	745	100%
Total	$ 30,162	$ 22,295	35%

Long-Term Liabilities

At year-end, the School District had $5,885,710 in long-term bonds outstanding. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

Table A-10 Outstanding Long-Term Liabilities (in Thousands)

Category	Fiscal Year 2025	Fiscal Year 2024 (Restated)
General obligation bonds	$ 5,886	$ 6,268
Bond premium	128	162
Other postemployment benefits	74,331	80,982
Lease liability	535	771
Energy performance contract	1,659	-
Compensated absences	503	514
Net pension liability	1,806	2,238
Total	$ 84,847	$ 90,935

During the year, the School District paid down its debt by retiring $732,671 of outstanding bonds. A new bond was issued of $350,000 in March 2025 for the purchase of school buses.

During the year, the School District entered into an installment purchase agreement totaling $1,659,275 for equipment.

FACTORS BEARING ON THE FUTURE OF THE SCHOOL DISTRICT

At the time of these financial statements were prepared and audited, the School District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- Health insurance rates are expected to continually increase and affect the School District's financial health.
- Impact of unstable NYS Budget in uncertain economic environment could negatively impact the School District’s state aid.
- The School District's property (school) tax increase has been limited to the tax cap legislation calculation.
- Increasing enrollment impacting building space.
- Costs of addressing the zero-emissions vehicle mandate from NYS that requires purchase of only zero-emission buses beginning in 2027 under current legislation.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Voorheesville Central School District
Business Office, PO Box 498
Voorheesville, NY 12186
Call (518) 765-3313 Ext. 102

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	$ 2,042,509
Cash and cash equivalents - restricted	14,848,454
Accounts receivable	211,533
Due from other governments	513,344
State and federal aid receivable	540,371
Inventory	19,947
Total current assets	18,176,158
NONCURRENT ASSETS:	
Capital assets, net depreciable	10,665,488
Capital assets, non-depreciable	19,496,796
Net pension asset - TRS	1,752,807
Total noncurrent assets	31,915,091
TOTAL ASSETS	50,091,249
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows of resources - other postemployment benefits	11,084,868
Deferred outflows of resources- ERS	1,078,584
Deferred outflows of resources - TRS	4,170,056
Deferred outflows of resources - Installment debt purchase	700,929
Total deferred outflows of resources	17,034,437
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	67,125,686
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
CURRENT LIABILITIES:	
Accounts payable	876,881
Accrued liabilities	55,939
Due to other governments	1,292
Bond anticipation notes	12,500,000
Accrued bond interest	607,944
Due to Teachers' Retirement System	1,319,073
Due to Employees' Retirement System	176,093
Unearned revenue	30,560
Bonds payable due within one year	782,458
Total other postemployment benefits due within one year	4,438,482
Lease payable due within one year	238,048
Total current liabilities	21,026,770
LONG-TERM LIABILITIES:	
Total other postemployment benefits, net of current portion	69,892,439
Bonds payable, net of current portion	5,103,252
Bonds premium, net	127,680
Installment purchase debt	1,659,275
Compensated absences, net of current portion	502,964
Net pension liability - ERS	1,805,993
Lease payable, net of current portion	296,507
Total long-term liabilities	79,388,110
TOTAL LIABILITIES	100,414,880
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows of resources - other postemployment benefits	26,857,578
Deferred inflows of resources- ERS	223,282
Deferred inflows of resources - TRS	2,280,354
Total deferred inflows of resources	29,361,214
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	129,776,094
NET POSITION	
Net investment in capital assets	17,887,863
Restricted	15,093,528
Unrestricted	(95,631,799)
TOTAL NET POSITION	$ (62,650,408)

The accompanying notes are an integral part of these statements.

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 5,187,121	$ -	$ -	$ (5,187,121)
Instruction	23,665,194	163,257	668,346	(22,833,591)
Pupil transportation	2,325,559	-	-	(2,325,559)
Community service	37,073	-	-	(37,073)
Debt service interest	691,748	-	-	(691,748)
School lunch program	857,912	468,914	148,830	(240,168)
TOTAL FUNCTIONS AND PROGRAMS	$ 32,764,607	$ 632,171	$ 817,176	$ (31,315,260)
GENERAL REVENUE:				
Real property taxes				$ 20,124,661
Other tax items				894,372
Sale of property and compensation for loss				36,148
Use of money and property				998,421
Miscellaneous				662,499
State sources				9,098,142
Medicaid reimbursement				97,535
TOTAL GENERAL REVENUE				31,911,778
CHANGE IN NET POSITION				596,518
NET POSITION - beginning of year, as previously reported				(62,899,276)
RESTATEMENT (Note 14)				(347,650)
NET POSITION - beginning of year, as restated				(63,246,926)
NET POSITION - end of year				$ (62,650,408)

The accompanying notes are an integral part of these statements.

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	Governmental Fund Types			
	General Funds	Capital Project Funds	Non Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	$ 2,012,432	$ -	$ 30,077	$ 2,042,509
Cash and cash equivalents - restricted	6,468,370	7,731,870	648,214	14,848,454
Accounts receivable	205,830	3,668	2,035	211,533
Due from other governments	513,344	-	-	513,344
State and federal aid receivable	202,961	102,543	234,867	540,371
Due from other funds	1,239,810	377,067	313,538	1,930,415
Inventory	-	-	19,947	19,947
TOTAL ASSETS	$ 10,642,747	$ 8,215,148	$ 1,248,678	$ 20,106,573
LIABILITIES				
Accounts payable	$ 390,269	$ 234,264	$ 252,348	$ 876,881
Accrued liabilities	55,939	-	-	55,939
Due to other governments	-	-	1,292	1,292
Due to other funds	445,531	1,424,604	60,280	1,930,415
Due to Teachers' Retirement System	1,319,073	-	-	1,319,073
Due to Employees' Retirement System	176,093	-	-	176,093
Bond anticipation notes	-	12,500,000	-	12,500,000
Unearned revenue	5,500	-	25,060	30,560
TOTAL LIABILITIES	2,392,405	14,158,868	338,980	16,890,253
FUND BALANCE				
Nonspendable:				
Inventory	-	-	19,947	19,947
Restricted:				
Unemployment	31,598	-	-	31,598
Retirement	3,207,670	-	-	3,207,670
Repair	291,472	-	-	291,472
Capital projects	2,216,982	7,731,870	-	9,948,852
Debt service	-	-	648,354	648,354
Insurance reserve	720,648	-	-	720,648
Other	-	-	244,934	244,934
Total restricted fund balance	6,468,370	7,731,870	893,288	15,093,528
Assigned:				
Unappropriated	203,306	-	-	203,306
Appropriated for subsequent year expenditures	1,180,753	-	-	1,180,753
Total assigned fund balance	1,384,059	-	-	1,384,059
Unassigned	397,913	(13,675,590)	(3,537)	(13,281,214)
TOTAL FUND BALANCE	8,250,342	(5,943,720)	909,698	3,216,320
TOTAL LIABILITIES AND FUND BALANCE	$ 10,642,747	$ 8,215,148	$ 1,248,678	$ 20,106,573

The accompanying notes are an integral part of these statements.

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2025

Total governmental fund balance	$ 3,216,320
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	30,162,284
Pension related government wide activity:	
Deferred outflows of resources	5,248,640
Net pension liability	(1,805,993)
Net pension asset	1,752,807
Deferred inflows of resources	(2,503,636)
OPEB related government wide activity:	
Deferred outflows of resources	11,084,868
Total OPEB liability	(74,330,921)
Deferred inflows of resources	(26,857,578)
Bonds payable, lease payable and installment purchase debt are not due and payable in the current period and, therefore, are not reported in the funds.	(8,079,540)
Deferred outflows of resources - installment purchase debt	700,929
Bond premium is recorded as revenue in the fund financial statements, but is capitalized and amortized over the life of the bond under full accrual accounting	(127,680)
Compensated absences at year end in the government-wide statements under full accrual accounting.	(502,964)
Accrued interest payable at year end in the government-wide statements under full accrual accounting.	(607,944)
Net position of governmental activities	$ (62,650,408)

The accompanying notes are an integral part of these statements.

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Fund Types			
	General Funds	Capital Project Funds	Non Major Funds	Total Governmental Funds
REVENUE				
Real property taxes	$ 20,124,661	$ -	$ -	$ 20,124,661
Other tax items	894,372	-	-	894,372
Charges for services	163,257	-	-	163,257
Use of money and property	760,003	-	241,149	1,001,152
Sale of property and compensation for loss	36,148	-	-	36,148
Miscellaneous	429,411	-	141,978	571,389
State sources	8,995,599	102,543	278,959	9,377,101
Federal sources	-	-	538,217	538,217
Medicaid reimbursement	97,535	-	-	97,535
Sales - School lunch	-	-	468,914	468,914
TOTAL REVENUE	31,500,986	102,543	1,669,217	33,272,746
EXPENDITURES				
General support	3,636,270	-	-	3,636,270
Instruction	15,294,271	-	-	15,294,271
Pupil transportation	1,446,467	-	-	1,446,467
Community service	37,073	-	-	37,073
Employee benefits	8,548,957	-	-	8,548,957
Debt service - principal	969,549	-	-	969,549
Debt service - interest	166,359	-	-	166,359
Cost of sales	-	-	766,962	766,962
Capital outlays	-	8,984,365	-	8,984,365
Other	-	-	804,828	804,828
TOTAL EXPENDITURES	30,098,946	8,984,365	1,571,790	40,655,101
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,402,040	(8,881,822)	97,427	(7,382,355)
OTHER SOURCES AND (USES)				
Proceeds from issuance of debt	-	350,000	-	350,000
Proceeds from energy performance contract debt	-	958,346	-	958,346
Premium on issuance of debt	-	-	88,379	88,379
Operating transfers in	-	2,297,537	38,358	2,335,895
Operating transfers (out)	(2,335,895)	-	-	(2,335,895)
Total other sources (uses)	(2,335,895)	3,605,883	126,737	1,396,725
CHANGE IN FUND BALANCE	(933,855)	(5,275,939)	224,164	(5,985,630)
FUND BALANCE - beginning of year	9,184,197	(667,781)	685,534	9,201,950
FUND BALANCE - end of year	$ 8,250,342	$ (5,943,720)	$ 909,698	$ 3,216,320

The accompanying notes are an integral part of these statements.

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balance - governmental funds	$ (5,985,630)
Capital outlays, net disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	9,092,186
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(985,539)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(238,811)
Pension expense resulting from GASB 68 reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	341,493
Repayment of long-term debt and lease liability are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	969,387
Proceeds from the issuance of long-term debt are recorded as other financing sources in the governmental funds, but are recorded as liabilities in the statement of net position.	(350,000)
Proceeds from the issuance of installment purchase debt are recorded as other financing sources in the governmental funds, but are recorded as liabilities in the statement of net position.	(958,346)
Amortization of premiums associated with long-term debt are not recorded as an expenditure in the governmental funds, but are recorded as liabilities in the statement of net position.	33,843
Accrued other postemployment benefits do not require the expenditure of current resources and, therefore, are not reported as expenditures in the governmental funds.	(774,650)
Accrued compensated absences do not require the expenditure of current resources and are, therefore not reported as expenditures in the governmental funds.	11,655
Accrued interest expense does not require the expenditure of current resources and is, therefore, not reported as expenditures in the governmental funds.	(559,070)
Change in net position - Governmental activities	$ 596,518

The accompanying notes are an integral part of these statements.

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2025

	Custodial Funds
ASSETS:	
Cash	$ -
Total assets	$ -
LIABILITIES:	
Other liabilities	$ -
Total liabilities	-
NET POSITION:	
Restricted for others	$ -

The accompanying notes are an integral part of these statements

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS:	
Tax collections for other governments	$ 1,290,516
Total additions	1,290,516
DEDUCTIONS:	
Payments of tax to other governments	1,290,516
Total deductions	1,290,516
CHANGE IN NET POSITION	-
NET POSITION - beginning of year	-
NET POSITION - end of year	$ -

The accompanying notes are an integral part of these statements

1. NATURE OF OPERATIONS

Voorheesville Central School District (School District) provides free K-12 public education to students living within its geographic borders.

Reporting Entity

The School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (BOE). The President of the Board serves as 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 School District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by GASB. 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 School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School 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 School District’s reporting entity.

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The BOE exercises general oversight of these funds. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the School District’s business office. The School District accounts for assets held for various student organizations in a Miscellaneous Special Revenue fund.

Joint Venture

The School District is a component school district in the Capital Region Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §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 §1950 of the New York State Education Law. All BOCES property is held by the BOCES board as a corporation (§1950(6)). In addition, BOCES boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

1. NATURE OF OPERATIONS (Continued)

Joint Venture (Continued)

BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school 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, §1950(4)(b)(7). In addition, component school districts pay tuition or a service fee for programs in which its students participate.

During the year, the School District was billed $3,149,467 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to $1,068,462.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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.

Certain significant accounting principles and policies utilized by the School District are described below:

Basis of Presentation

The School District's financial statements consist of school district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

School District-Wide Statements

The statement of net position and the statement of activities present financial information about the School 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 revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the School 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 revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund statements provide information about the School 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. All remaining governmental funds are aggregated and reported as nonmajor funds.

The School District reports the following major governmental funds:

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

Capital Projects Fund - This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The School District reports the following non-major governmental funds:

Federal Fund - Used to account for proceeds from state and federal grants that are restricted for specific educational programs.

School Lunch Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Miscellaneous Special Revenue Funds - This fund accounts for proceeds from various funding sources, which may be restricted by donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Fund and scholarships are reported in this fund.

Fiduciary Funds

These funds are used to account for fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the School District-wide financial statements because their resources do not belong to the School District and are not available to be used.

There is one type of fiduciary fund:

Custodial Fund - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various groups.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The School District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The 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 School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset 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.

Cash and Cash Equivalents

Restricted Cash

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Accounts Receivable/Due from Other Governments/State and Federal Receivable

Accounts receivables 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.

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. Taxes not collected by October 31 are turned over to Albany County who assumes all responsibility for collection. Uncollected real property taxes are subsequently enforced by the County. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

Inventory and Prepaid Items

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the School 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 School 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 amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School 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.

In the School District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Capital Assets

In the School District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold is used to report capital assets and the range of estimated useful lives by type of assets is as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 5,000	N/A	N/A
Buildings and improvements	5,000	SL	30-40
Site improvements	5,000	SL	15-20

Capital assets also include lease assets with terms greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

Compensated absences

In accordance with GASB Statement No. 101, Compensated Absences, the School District recognizes a liability for leave time that has been (1) been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years and (3) is more likely than not to be used as time off or settled (for example paid in cash to employee) during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide funds only if the liability has matured because of its employee resignations or retirements. The compensated absences liability salary related benefits, where applicable.

The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds inasmuch as it will be funded from current financial resources and the statement of net position for amounts to be paid from future financial resources.

The adoption of GASB 101 during the year resulted in a restatement of prior year net position – see note 14.

Other Benefits

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

School District employees may choose to participate in the School District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School 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 School District and the retired employee. the School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows 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 (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Short Term Debt

The School 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 School 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. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short Term Debt

At June 30, 2025, the School District had the following BANs outstanding:

Purpose	Issued	Maturity	Beginning Balance	Issued	Redeemed	Ending Balance
General Obligations	7/10/2024	7/10/2025	$ -	$12,500,000	$ -	$12,500,000
			$ -	$12,500,000	$ -	$12,500,000

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the School 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 and compensated absences that will be paid from governmental funds, are reported as a liability in the fund 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 School 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.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the School 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.

Unearned Revenue

Unearned revenue is reported when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

School District-wide Statements - Equity Classifications

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

School District-wide Statements - Equity Classifications (Continued)

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.

Unrestricted net position - reports all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the School District.

Governmental Fund Financial Statements - Equity classifications

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

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.

Restricted fund balance - 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. The School District has available the following restricted fund balances:

<u>Capital Reserve</u>

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 the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for 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. The Reserve is accounted for in the General Fund under restricted fund balance.

<u>Reserve for Debt Service</u>

According to General Municipal Law §6-l, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

<u>Repair Reserve</u>

Repair reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, that are of a type not recurring annually. The BOE, 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.

<u>Employee Benefit Accrued Liability Reserve</u>

According to General Municipal Law §6-p, this reserve must be used for the payment of accrued employee benefits due to 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.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity classifications (Continued)

Insurance Reserve

According to General Municipal Law §6-n, this reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriation, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve, however, the annual contribution to this reserve may not exceed the greater of $33,000 or 5% of the budget. Settled or compromised claims up to $25,000 may be paid from the reserve without judicial approval.

Liability Claims and Property Loss

According to General Municipal Law §1709(8)(c), this reserve must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except City School Districts with a population greater than 125,000. These reserves are accounted for in the General Fund under restricted fund balance.

Tax Certiorari

According to Education Law §3651.1-a, must be used to establish a reserve fund for tax certiorari and to expend from the funds without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgements 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.

Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the General Fund.

Workers' Compensation

According to General Municipal Law §6-j, 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.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity classifications (Continued)

Unemployment Insurance Reserve

This reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the School District 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 the tax (contribution) basis, excess resources in the fund may be transferred to any other reserve fund. The reserve is accounted for in the General Fund under restricted fund balance.

Reserve for Tax Reduction

This reserve (EL §1604, §1709) is used for the gradual use of the proceeds of the sale of School District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the School District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during threat period for tax reduction. This reserve is accounted for in the General Fund.

Reserve for Insurance Recoveries

Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the General Fund.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balance includes the following:

Unemployment	$ 31,598
Retirement	3,207,670
Repair	291,472
Capital projects	9,948,852
Debt service	648,354
Insurance reserve	720,648
Other	244,934
Total	$ 15,093,528

3. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity classifications (Continued)
Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, the BOE. The School District has no committed fund balances as of June 30, 2025.

Assigned fund balance - Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance in the General fund. Encumbrances represent purchase commitments made by the School District's purchasing agent through their authorization of a purchase order prior to year-end. Encumbrances reported in the General Fund amounted to $203,306. As of June 30, 2025, the School District's encumbrances were classified as follows:

Assigned fund balance:

General support	$ 96,379
Instruction	104,622
Pupil Transportation	2,305
Total encumbrances	$203,306

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year's budget and encumbrances are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy
The School District's policy is to apply expenditures against non-spendable 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, non-spendable 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.

Deficit Fund Balance
The deficit fund balance in the Capital Projects fund will be eliminated in future years as transfers are made from the General Fund capital reserve fund and bond anticipation notes are either redeemed from appropriations or replaced with long-term debt.

Use of 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 and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported revenue 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, potential contingent liabilities and useful lives of long-lived assets.

3. 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 governmental fund statements and the School 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 statement of activities compared with the current financial resources focus of the governmental funds.

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the School District’s governmental funds differ from net position of governmental activities reported in the statement of net position. This difference results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

The categories shown below represent:

• Long Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

• Capital Related Differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental 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 purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

• Long Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

• Pension Differences

Pension differences occur as a result of changes in the School District's proportion of the collective net pension asset/liability and differences between the School District's contributions and its proportionate share of the total contributions to the pension systems.

• OPEB Differences

OPEB differences occur as a result of changes in the School District's total OPEB liability and differences between the School District's contributions and OPEB expense.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the School District is subject to various federal, state and local laws and contractual regulations. An analysis of the School District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

Budgets

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

The voters of the School District approved the proposed appropriation budget.

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 the BOE 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 restriction, if the board approves them because of a need that exists which was not determined at the time the budget was adopted.

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.

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2025.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the School 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 budgetary 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 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.

Portions of the fund balances are restricted and are not available for current expenditures or expenses, as reported in the governmental funds balance sheet.

5. CASH AND CASH EQUIVALENTS

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

The School District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2025, the School District held $7,586,252 in investments consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated ‘AAAm’ by S&P Global Ratings. The investments are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Additional information concerning NYCLASS, including the annual report, can be found on its website as www.newyorkclass.org.

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

	Bank Balance	Carrying Amount
Cash	$10,223,889	$ 9,304,711
Cash equivalents	7,586,252	7,586,252
	$17,810,141	$16,890,963
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	$ 9,723,889	
Covered by FDIC insurance	500,000	
Total	$10,223,889	

The cash equivalents held at NYCLASS are collateralized as follows: U.S. Treasuries and NYS Municipal bonds are backed by the full faith and credit of the U.S. government and State of New York and therefore do not require collateral. The other permissible investments are collateralized in accordance with NYS GML section 10.

5. CASH AND CASH EQUIVALENTS (Continued)

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 consists of the following:	
General fund:	
Cash on deposit for reserves:	
Unemployment	$ 31,598
Retirement	3,207,670
Repair	291,472
Capital projects	2,216,982
Insurance reserve	720,648
Total general fund restricted cash	$6,468,370
Total capital project fund restricted cash	$7,731,870
Non-major funds:	
Cash on deposit for extraclassroom activities and scholarships	$ 244,934
Cash on deposit for debt service	403,280
Total non-major funds restricted cash	$ 648,214

6. CAPITAL ASSETS, NET

CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 273,657	$ -	$ -	$ 273,657
Construction in progress	10,827,672	8,634,365	238,898	19,223,139
Total nondepreciable cost	11,101,329	8,634,365	238,898	19,496,796
Capital assets that are depreciated:				
Buildings and improvements	25,979,248	238,898	-	26,218,146
Furniture and equipment	6,494,529	463,214	57,119	6,900,624
Total depreciable historical cost	32,473,777	702,112	57,119	33,118,770
Less accumulated depreciation:				
Buildings and improvements	17,280,211	706,143	-	17,986,354
Furniture and equipment	4,745,119	279,396	51,726	4,972,789
Total accumulated depreciation	22,025,330	985,539	51,726	22,959,143
Total depreciable cost - net	10,448,447	(283,427)	5,393	10,159,627
Lease assets, being amortized				
Right to Use Asset - Equipment	1,216,297	-	-	1,216,297
Total lease assets, being amortized	1,216,297	-	-	1,216,297
Less accumulated amortization				
Right to Use Asset - Equipment	471,625	238,811	-	710,436
Total accumulated amortization	471,625	238,811	-	710,436
Total governmental activities capital asset, net	$ 22,294,448	$ 8,112,127	$ 244,291	$ 30,162,284

Depreciation and amortization expense for the year ended June 30, 2025, was allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 176,536	$ -
Instruction	528,842	238,811
Pupil transportation	209,547	-
School lunch	70,614	-
Total	$ 985,539	$ 238,811

7. INTERFUND BALANCES AND ACTIVITY

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General	$ 1,239,810	$ 445,531	$ -	$ 2,335,895
Federal	68,464	60,280	35,715	-
Capital Projects	377,067	1,424,604	2,297,537	-
Debt Service	245,074	-	-	-
School Lunch	-	-	2,643	-
Total	$ 1,930,415	$ 1,930,415	$ 2,335,895	$ 2,335,895

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position. The School District typically advances resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures and school lunch programs.

8. DEBT

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

	Balance Restated 6/30/2024	Additions	Deletions	Balance 6/30/2025	Due Within One Year
Serial bonds	$ 6,268,381	$ 350,000	$ 732,671	$ 5,885,710	$ 782,458
Bond premium	161,523	-	33,843	127,680	-
Energy performance contract	-	1,659,275	-	1,659,275	-
Total other postemployment benefits	80,982,399	6,069,927	12,721,405	74,330,921	4,438,482
Net pension liability	2,238,358	224,556	656,921	1,805,993	-
Compensated absences	514,619	-	11,655	502,964	-
Lease liability	771,271	-	236,716	534,555	238,048
	$ 90,936,551	$ 8,303,758	$ 14,393,211	$ 84,847,098	$ 5,458,988

In May 2025, the School District entered into a $1,659,275 contractual agreement to install energy saving equipment and/or upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fifteen years, with a semi-annual installment through December 2040. Payments include interest at 3.99%. The School District drew down $958,346 in FY25 for this funding. The contractual liability as of June 30, 2025 was $1,659,275; the unspent balance of $700,929 is shown as deferred outflow.

Interest on all debt for the year was composed of:

Interest paid	$ 166,359
Less: Interest accrued in the prior year	(48,874)
Plus: Interest accrued in the current year	607,944
Less: Amortization on bond premium	(33,681)
Total interest expense	$ 691,748

8. DEBT (Continued)

Issue dates, maturities, and interest rates on outstanding debt are as follows:

Bond Issue	Issued	Maturity	Interest Rate	6/30/25 Balance
2015 Refunding	2015	2030	2.14-3.27%	$ 515,000
2020 Bus Bond	2020	2025	0.72%	47,006
2021 Bus Bond	2021	2027	0.85%	104,104
2021 Serial Bond	2021	2037	2.00%	4,295,000
2022 Bus Bond	2022	2027	2.95%	237,000
2024 Bus Bond	2024	2028	4.45%	337,600
2025 Bus Bond	2025	2029	4.00%	350,000
Total bond issue				$ 5,885,710

The following is a summary of the maturity of long-term indebtedness as of June 30, 2025:

2026	$ 782,458	$ 134,887	$ 917,345
2027	745,452	115,595	861,047
2028	713,400	95,736	809,136
2029	644,400	75,668	720,068
2030	480,000	57,697	537,697
2031-2035	1,960,000	155,700	2,115,700
2036-2040	560,000	8,500	568,500
Totals	$ 5,885,710	$ 643,783	$ 6,529,493

9. LEASES

The School District leases various equipment from Northeastern Regional Information Center (NERIC). The leases do not contain renewal options. The leases have various inception dates and remaining terms of 1-57 months. Lease agreements are summarized as follows:

Descriptions	Interest Rate	Total Lease Liability
NERIC Equipment	0.12% - 0.25%	$ 534,555
		$ 534,555

Activity of lease liabilities for the year ended June 30, 2025, is summarized as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
$ 771,271	$ -	$ 236,716	$ 534,555	$ 238,048

Annual requirements to amortize long-term obligations and related interest are as follows:

	Principal	Interest	Total
2026	238,048	18,430	256,478
2027	235,968	8,716	244,684
2028	60,539	632	61,171
	$ 534,555	$ 27,778	$ 562,333

10. PENSION PLANS

New York State Employees' Retirement System

The School 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 School 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. That report, including information with regard to benefits provided, and the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

10. PENSION PLANS (Continued)

The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS	
2025	$	511,612
2024	$	418,717
2023	$	365,007

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

At June 30, 2025, the School District reported a net pension liability of $1,805,993 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2024. The School District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025, the School District's proportionate share was .0105332% percent, which was a decrease of .000207% from its proportionate share measured at June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $414,976. At June 30, 2025, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 448,260	$ 21,144
Changes of assumptions	75,740	-
Net difference between projected and actual earnings on	141,693	-
Changes in proportion and differences between the	236,798	202,138
Contributions subsequent to the measurement date	176,093	-
Total	$ 1,078,584	$ 223,282

The School District recognized $176,093 as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2026.

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

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

Plan's Year Ended March 30:

2026	$ 328,448
2027	478,660
2028	(143,175)
2029	15,276
	$ 679,209

Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary Scale	4.3% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of period April 1, 2015 through March 31, 2020
Mortality improvements	Society of Actuaries scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expense

The long-term expected 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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	25%	3.54%
International Equity	14%	6.57%
Private Equity	15%	7.25%
Real Estate	12%	4.95%
Opportunistic /ARS Portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	4%	5.55%
Fixed Income	22%	2.00%
Cash	1%	0.25%
	100%	

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. 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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability (asset)	$ 5,226,772	$ 1,805,993	$ (1,050,359)

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Pension Plan Fiduciary Net Position (In Thousands)

The components of the current-year net pension liability of the employers as of March 31, 2024, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 247,600,239
Net position	230,454,512
Net pension liability (asset)	$ 17,145,727
Fiduciary net position as a percentage of total pension liability	93.08%

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

NYSTRS is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. The School District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	TRS
2025	$ 1,190,856
2024	$ 1,094,784
2023	$ 1,091,526

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

At June 30, 2025, the School District reported a net pension asset of $1,752,807 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2023. The School District's proportion of the net pension asset was based on a projection of the School Districts long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 the School District's proportionate share was 0.058748%, which was an increase of 0.0001304% from its proportionate share measured at June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $949,194. At June 30, 2025, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,887,452	$ -
Changes of assumptions	1,048,534	176,373
Net difference between projected and actual earnings on pension plan	-	1,947,518
Changes in proportion and differences between the District's contributions and proportionate share of contributions	43,214	156,463
Contributions subsequent to the measurement date	1,190,856	-
Total	$ 4,170,056	$ 2,280,354

The School District recognized $1,190,856 as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date, June 30, 2024 which will be recognized as a reduction of the net pension asset in the year ending June 30, 2026.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2025	$ (910,890)
2026	2,121,120
2027	(387,366)
2028	(419,594)
2029	213,085
Thereafter	82,491
	$ 698,846

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

Actuarial Assumptions

The total pension asset at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension asset to June 30, 2024. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal	
Inflation	2.40%	
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.	
	Service	Rate
	5	5.18%
	15	3.64%
	25	2.50%
	35	1.95%
Projected COLAs	1.30% compounded annually	
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.	

Annuitant morality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2015 to June 30, 2020.

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

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	33%	6.60%
International Equity	15%	7.40%
Global Equity	4%	6.90%
Real Estate Equity	11%	6.30%
Private Equity	9%	10.00%
Domestic Fixed Income	16%	2.60%
Global Bonds	2%	2.50%
High-Yield Bonds	1%	4.80%
Private Debt	2%	5.90%
Real Estate Debt	6%	3.90%
Cash Equivalents	1%	0.50%
	100%	

Discount Rate

The discount rate used to measure the total pension asset was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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.

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

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 6.95 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.95 percent) or 1% higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Proportionate Share of Net Pension Liability (asset)	$ 8,096,318	$ (1,752,807)	$(10,036,186)

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) of the employers as of June 30, 2024, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 142,837,826,465
Net position	145,821,434,780
Net pension liability (asset)	$ (2,983,608,315)
TRS net position as a percentage of total pension liability	102.09%

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides healthcare 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 School District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently	186
Active employees	211
Total participants	397

Total OPEB Liability

The School District's total OPEB liability of $74,330,921 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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%
Payroll Growth	Varied by years pf service and retirement system
Discount rate	4.81%
Mortality table	Pub-2010 Headcount-weighted table projected fully generationally using MP-2021
Medical Health care trends	6.75% from 2024 to 2025, decreasing to an ultimate rate of 4.04% by 2075
Dental Health care trends	3.00% per annum

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates are based on recent mortality tables published by SOA (Pub-2010), which were based on the public pension plans mortality experience from calendar years 2008 to 2013.

Changes in the Total OPEB Liability

Balance at July 1, 2024	$ 80,982,399
Changes for the Year	
Service cost	2,637,742
Interest	3,432,185
Changes of benefit terms	-
Changes in assumptions or other inputs	(6,970,618)
Differences between expected and actual experience	(1,515,998)
Benefit payments	(4,234,789)
Net changes	(6,651,478)
Balance at June 30, 2025	$ 74,330,921

Changes of assumptions and other inputs reflect a change in the discount rate from 4.21% in 2024 to 4.81% in 2025.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

	1% Decrease 3.81%	Current Discount 4.81%	1% Increase 5.81%
Total OPEB Liability	$ 86,581,710	$ 74,330,921	$ 64,484,721

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease (5.75% decreasing to 3.04%)	Current Trend (6.75% decreasing to 4.04%)	1% Increase (7.75% decreasing to 5.04%)
Total OPEB Liability	$ 63,211,058	$ 74,330,921	$ 88,603,561

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

For the year ended June 30, 2025, the School District recognized OPEB expense of $5,009,439. At June 30, 2025, the School 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
Difference between expected and actual experience	$ 3,967,169	$ 6,152,426
Changes in assumption	7,117,699	20,705,152
Total	$ 11,084,868	$ 26,857,578

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Fiscal Year Ending June	Amount
2026	$ (914,733)
2027	(3,542,299)
2028	(6,662,163)
2029	(3,239,079)
2030	(1,414,436)
Thereafter	-
	$ (15,772,710)

12. RISK MANAGEMENT

General

The School District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, etc. 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.

Health Insurance

One of the School District's health insurance plans is self-insured and is reported in the general fund.

All known claims filed and an estimate of all incurred, but not reported claims existing at June 30, 2025, have been recorded as accrued liabilities in the government-wide statements.

The School District establishes health insurance claims liabilities based on estimates of the ultimate cost of claims. Claim under this plan are paid during the year or in the subsequent year. The length of time that claims may be submitted is limited to ninety days after year-end. The School District has a stop loss insurance limiting its liability to $250,000 per insured for CDPHP and $500,000 for Blue Shield of Northeastern New York.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimates future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the period in which they are made.

13. CONTINGENCIES AND COMMITMENTS

Litigation

The School District has been named a defendant in several tax certiorari cases. A review by management and the School District's attorneys indicate that these actions are not substantial enough to materially affect the financial position of the School District.

Grants

The School 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 School District's administration believes disallowances, if any, will be immaterial.

14. RESTATEMENT OF PRIOR YEAR

During the year ended June 30, 2025, the School District implemented GASB Statement No. 101, Compensated Absences. This Statement requires that governments recognize a liability for certain types of compensated absences when the leave is earned rather than when it is used, and update measurement and disclosure requirements accordingly.

The implementation of GASB 101 resulted in the recognition of additional compensated absences liabilities that were not previously recorded under the prior accounting guidance. As a result, beginning net position was restated as follows:

	Governmental Activities Net Position
Balance at June 30, 2024, as originally stated	$ (62,899,276)
Restatement of beginning balance - Adoption of GASB Statement No. 101	
Adjustments:	
Compensated Absences	(347,650)
Balance at June 30, 2024, as restated	$ (63,246,926)

15. SUBSEQUENT EVENT

Subsequent to year end the School District issued a bond anticipation note on July 9, 2025, for $12,210,000 at an interest rate of 4% with a maturity date of July 9, 2026. The proceeds of this note, plus $290,000 of School District funds, were used to redeem the $12,500,000 BAN.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
Local sources:					
Real property taxes	$ 20,020,113	$ 20,020,113	$ 20,124,661	$ -	$ 104,548
Other tax items	1,000,000	1,000,000	894,372	-	(105,628)
Charges for services	96,000	96,000	163,257	-	67,257
Use of money and property	260,000	260,000	760,003	-	500,003
Sale of property and compensation for loss	8,500	8,500	36,148	-	27,648
Miscellaneous	180,000	180,000	429,411	-	249,411
Total local sources	21,564,613	21,564,613	22,407,852	-	843,239
State sources	9,005,694	9,005,694	8,995,599	-	(10,095)
Medicaid reimbursement	50,000	50,000	97,535	-	47,535
Total revenue	30,620,307	30,620,307	31,500,986	-	880,679

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	$ 78,074	$ 39,625	$ 28,371	$ -	$ 11,254
Central administration	277,572	273,757	259,859	-	13,898
Finance	627,997	607,017	580,404	18,625	7,988
Staff	169,912	251,106	228,249	-	22,857
Central services	2,234,535	2,487,019	2,226,025	77,754	183,240
Special items	335,624	318,392	313,362	-	5,030
Total general support	3,723,714	3,976,916	3,636,270	96,379	244,267
INSTRUCTION:					
Instruction, administration, and improvement	823,565	916,877	860,573	25	56,279
Teaching - Regular school	9,347,241	8,674,660	8,491,024	63,143	120,493
Programs for children with handicapping conditions	3,179,443	3,326,930	3,168,635	33,600	124,695
Occupational education	376,744	334,557	334,557	-	-
Teaching - Special school	50,989	54,669	31,886	-	22,783
Instructional media	781,787	1,005,858	693,296	3,200	309,362
Pupil services	1,793,966	1,801,837	1,714,300	4,654	82,883
Total instruction	16,353,735	16,115,388	15,294,271	104,622	716,495
Pupil transportation	1,385,900	1,458,876	1,446,467	2,305	10,104
Community service	77,349	77,349	37,073	-	40,276
Employee benefits	8,893,408	9,065,200	8,548,957	-	516,243
Debt service - principal	731,606	732,906	969,549	-	(236,643)
Debt service - interest	146,654	145,354	166,359	-	(21,005)
Total expenditures	31,312,366	31,571,989	30,098,946	203,306	1,269,737
OTHER FINANCING USES					
Transfers to other funds	(3,170,000)	(3,170,000)	(2,335,895)	-	834,105
Total expenditures and other uses	34,482,366	34,741,989	32,434,841	203,306	2,103,842
NET CHANGE IN FUND BALANCE	(3,862,059)	(4,121,682)	(933,855)	(203,306)	2,984,521
FUND BALANCE - beginning of year	9,184,197	9,184,197	9,184,197	-	-
FUND BALANCE - end of year	$ 5,322,138	$ 5,062,515	$ 8,250,342	$ (203,306)	$ 2,984,521

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total other postemployment benefits (OPEB) liability										
Service cost	$ 2,637,742	$ 2,591,655	$ 3,248,214	$ 4,706,305	$ 4,358,739	$ 2,883,029	$ 1,599,717	$ 1,658,759		
Interest	3,432,185	3,272,813	3,164,135	2,373,670	2,167,773	2,587,157	2,031,323	1,842,102		
Changes in benefit terms	-	-	-	-	(351,325)	-	(523,440)	-		
Differences between expected and actual experience in the measurement of the total OPEB liability	(1,515,998)	1,242,573	(8,159,712)	46,191	10,765,324	302,276	(1,018,801)	-		
Changes of assumptions or other inputs	(6,970,618)	(1,015,360)	(4,877,865)	(24,007,756)	(3,439,714)	19,212,351	19,678,860	(2,608,145)		
Benefit payments	(4,234,789)	(3,489,684)	(2,237,562)	(2,110,790)	(2,000,579)	(2,150,644)	(1,517,026)	(1,415,065)		
Net change in in total OPEB liability	(6,651,478)	2,601,997	(8,862,790)	(18,992,380)	11,500,218	22,834,169	20,250,633	(522,349)		
Total OPEB liability - beginning	80,972,399	78,370,402	87,233,192	106,225,572	94,725,354	71,891,185	51,640,552	52,162,901		
Total OPEB liability - ending	$ 74,320,921	$ 80,972,399	$ 78,370,402	$ 87,233,192	$ 106,225,572	$ 94,725,354	$ 71,891,185	$ 51,640,552		
Covered payroll	$ 13,593,428	$ 13,802,640	$ 11,168,925	$ 12,672,617	$ 11,102,181	$ 11,776,556	$ 10,366,427	$ 11,995,607		
Total OPEB liability as a percentage of covered payroll	546.74%	586.64%	701.68%	688.36%	956.80%	804.36%	693.50%	430.50%		

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Changes of assumptions. Changes in assumptions and other inputs reflect the effects o*f changes in the discount rate each period. The following reflects the discount rate used each period:*

	2025	2024	2023	2022	2021	2020	2019	2018
Discount rate	4.81%	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%	3.87%

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)

FOR THE YEAR ENDED JUNE 30,

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.0105332%	0.0107405%	0.0102683%	0.0100725%	0.0101330%	0.0102134%	0.0106851%	0.0108200%	0.0094373%	0.0093861%
Proportionate share of the net pension liability (asset)	$ 1,806.0	$ 1,581.4	$ 2,201.9	$ (1,866.3)	$ 10.1	$ 2,704.6	$ 757.1	$ 349.2	$ 886.8	$ 1,506.4
Covered-employee payroll	$ 3,807.1	$ 3,266.2	$ 3,217.3	$ 3,135.8	$ 3,053.4	$ 3,119.3	$ 3,111.7	$ 3,070.3	$ 2,582.1	$ 2,547.5
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.44%	48.42%	68.44%	-59.52%	0.33%	86.71%	24.33%	11.37%	34.34%	59.13%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	-99.97%	86.39%	96.27%	98.24%	94.70%	90.68%

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.0587480%	0.0574440%	0.0565420%	0.0550810%	0.0533100%	0.0545590%	0.0565070%	0.0558720%	0.0539530%	0.0534920%
Proportionate share of the net pension liability (asset)	$ (1,752.8)	$ 656.9	$ 1,085.0	$ (9,544.9)	$ 1,473.1	$ (1,417.4)	$ (1,021.8)	$ (424.7)	$ 577.9	$ (5,556.1)
Covered-employee payroll	$ 11,779.0	$ 11,217.1	$ 10,607.6	$ 10,016.5	$ 9,348.9	$ 9,048.4	$ 9,106.7	$ 9,433.9	$ 8,325.5	$ 10,622.5
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-14.88%	5.86%	10.23%	-95.29%	15.76%	-15.66%	-11.22%	-4.50%	6.94%	-52.30%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.09%	99.17%	98.57%	113.25%	-97.76%	102.20%	101.53%	100.66%	99.01%	110.46%

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30,

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 511.6	$ 418.7	$ 365.0	$ 477.9	$ 433.5	$ 443.9	$ 443.0	$ 445.0	$ 390.5	$ 452.8
Contributions in relation to the contractually required contribution	511.6	418.7	365.0	477.9	433.5	443.9	443.0	445.0	390.5	452.8
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 3,807.1	$ 3,266.2	$ 3,217.3	$ 3,135.8	$ 3,053.4	$ 3,119.3	$ 3,111.7	$ 3,070.3	$ 2,582.1	$ 2,547.5
Contributions as a percentage of covered-employee payroll	13.44%	12.82%	11.35%	15.24%	14.20%	14.23%	14.24%	14.49%	15.12%	17.78%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,190.9	$ 1,094.8	$ 1,091.5	$ 981.6	$ 891.0	$ 801.7	$ 967.1	$ 924.5	$ 1,104.0	$ 1,408.6
Contributions in relation to the contractually required contribution	1,190.9	1,094.8	1,091.5	981.6	891.0	801.7	967.1	924.5	1,104.0	1,408.6
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 11,779.0	$ 11,217.1	$ 10,607.6	$ 10,016.5	$ 9,348.9	$ 9,048.4	$ 9,106.7	$ 9,433.9	$ 8,325.5	$ 10,622.5
Contributions as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	13.26%	13.26%

SUPPLEMENTARY INFORMATION

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	School Lunch	Miscellaneous Special Revenue Fund	Federal Fund	Debt Service Fund	Total Non-Major Governmental Funds
ASSETS					
Cash and equivalents - unrestricted	$ 29,236	$ 841	$ -	$ -	$ 30,077
Cash and equivalents - restricted	-	244,934	-	403,280	648,214
Accounts receivable	2,035	-	-	-	2,035
State and federal aid receivable	9,240	-	225,627	-	234,867
Due from other funds	-	-	68,464	245,074	313,538
Inventory	19,947	-	-	-	19,947
TOTAL ASSETS	$ 60,458	$ 245,775	$ 294,091	$ 648,354	$ 1,248,678
LIABILITIES					
Accounts payable	$ 18,537	$ -	$ 233,811	$ -	$ 252,348
Due to other funds	-	-	60,280	-	60,280
Due to other governments	451	841	-	-	1,292
Unearned revenue	25,060	-	-	-	25,060
TOTAL LIABILITIES	44,048	841	294,091	-	338,980
FUND BALANCE					
Nonspendable	19,947	-	-	-	19,947
Restricted	-	244,934	-	648,354	893,288
Assigned	-	-	-	-	-
Unassigned	(3,537)	-	-	-	(3,537)
TOTAL FUND BALANCE	16,410	244,934	-	648,354	909,698
TOTAL LIABILITIES AND FUND BALANCE	$ 60,458	$ 245,775	$ 294,091	$ 648,354	$ 1,248,678

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	School Lunch Fund	Miscellaneous Special Revenue Fund	Federal Fund	Debt Service Fund	Total Non-Major Governmental Funds
REVENUE					
Use of money and property	$ -	$ 2,731	$ -	$ 238,418	$ 241,149
Miscellaneous	144	141,834	-	-	141,978
State sources	14,328	-	264,631	-	278,959
Federal sources	134,502	-	403,715	-	538,217
Sales - school lunch	468,914	-	-	-	468,914
TOTAL REVENUE	617,888	144,565	668,346	238,418	1,669,217
EXPENDITURES					
Other	-	100,767	704,061	-	804,828
Cost of sales	766,962	-	-	-	766,962
TOTAL EXPENDITURES	766,962	100,767	704,061	-	1,571,790
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(149,074)	43,798	(35,715)	238,418	97,427
OTHER SOURCES AND (USES)					
Premium on issuance of debt	-	-	-	88,379	88,379
Transfers in	2,643	-	35,715	-	38,358
TOTAL OTHER SOURCES AND (USES)	2,643	-	35,715	88,379	126,737
CHANGE IN FUND BALANCE	(146,431)	43,798	-	326,797	224,164
FUND BALANCE - beginning of year	162,841	201,136	-	321,557	685,534
FUND BALANCE - end of year	$ 16,410	$ 244,934	$ -	$ 648,354	$ 909,698

OTHER INFORMATION

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget		$ 34,482,366
Add: Prior year's encumbrances		259,623
Original budget		34,741,989
Budget revisions		-
Final budget		$ 34,741,989

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget	$ 34,525,250	
Maximum allowed (4% of 2025-2026 budget)		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		$ 1,381,010
Total fund balance:	$ 8,250,342	
Less:		
Restricted fund balance	6,468,370	
Assigned fund balance:		
Appropriated fund balance	1,180,753	
Encumbrances included in committed and assigned fund balance	203,306	
Total adjustments	7,852,429	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 397,913
Actual percentage		1.15%

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

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

			Expenditures			
Project Title	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance
Phase 1, 2, 3, 4 Renovations	$ 7,704,000	$ 7,683,506	$ 7,599,588	$ 186,463	$ 7,786,051	$ (102,545)
MS/HS Roof	100,000	100,000	74,851	$ -	74,851	25,149
Smart Schools	483,870	483,870	385,543	-	385,543	98,327
2022 Approved Projects:						
Transportation (Phase 1)	10,980,818	10,980,818	2,275,142	7,035,452	9,310,594	1,670,224
ES School Project (Phase 2)	14,910,638	14,910,638	782,733	346,424	1,129,157	13,781,481
Storage Project (Phase 3)	214,000	214,000	1,595	146	1,741	212,259
ES Energy Performance Project	288,848	287,465	1,384	247,650	249,034	38,431
HS Energy Performance Project	1,325,116	1,325,116	1,383	810,430	811,813	513,303
2025 100K Roof Project	100,000	100,000	-	7,800	7,800	92,200
Buses	350,000	350,000	-	350,000	350,000	-
Buses	422,000	428,514	428,514	-	428,514	-
	$ 36,879,290	$ 36,863,927	$ 11,550,733	$ 8,984,365	$ 20,535,098	$ 16,328,829

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
JUNE 30, 2025

Capital assets, net			$ 30,162,284
Deduct:			
	Unamortized bond premium	127,680	
	Short-term portion of bonds payable	782,458	
	Long-term portion of bonds payable	5,103,252	
	Bond anticipation notes	12,500,000	
	Installment purchase debt	1,659,275	
	Short-term portion of lease payable	238,048	
	Long-term portion of lease payable	296,507	
			20,707,220
Add:			
	Deferred outflow - intstallment purchase debt		700,929
	Unspent bond proceeds		7,731,870
			8,432,799
Net Investment in capital assets			$ 17,887,863

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

Bonadio & Co., LLP
Accounting, Consulting & More

INDEPENDENT AUDITOR'S 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*

November 3, 2025

To the Board of Education of:
Voorheesville Central School District:

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 Voorheesville Central School District Voorheesville Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 3, 2025.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be material weaknesses.

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(Continued)

INDEPENDENT AUDITOR'S 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* (Continued)

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the 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.*

Voorheesville Central School District Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Bonadio & Co., LLP

VOORHEESVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements. audited were prepared in accordance with GAAP:	Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	__X__ Yes	_____ No
Significant deficiencies identified?	_____ Yes	___X__ None reported
Noncompliance material to financial statements noted?	_____ Yes	___X__ No

Section II – Financial Statement Finding

Finding 2025-001 – Year-End Closing Procedures

Criteria – The year-ending closing procedures should result in complete and accurate records that support the basic financial statements, footnotes, and supporting schedules in accordance with generally accepted accounting principles.

Condition – During our audit of the School District's financial statements, we noted deficiencies in the year-end closing process. Specifically, the School District did not have adequate procedures in place to ensure that all transactions were properly recorded in the correct fiscal year. Multiple account balances were misstated prior to audit adjustments, which could have resulted in material misstatements to the financial statements had they not been detected and corrected during the audit.

Cause – The School District's year-end closing process did not include sufficient review and reconciliation procedures to identify and record all necessary accruals, deferrals, and adjustments prior to audit.

Effect – Without adequate year-end closing procedures, there is an increased risk that financial statements may be materially misstated. The reliance on external auditors to identify and propose adjustments indicates a material weakness in internal control over financial reporting.

Recommendation – We recommend that the School District strengthen its year-end closing procedures by:

- Developing and following a detailed year-end closing checklist.
- Providing staff with additional training on GAAP requirements.
- Implementing a formal review process to ensure completeness and accuracy of all year-end accruals and adjustments prior to submission for audit.
- Considering periodic interim reconciliations during the year to reduce the risk of year-end misstatements

Management's Response – The School District agrees with this finding. Management will review and enhance year-end closing procedures, including developing a comprehensive checklist and implementing additional supervisory review, to ensure all financial information is properly recorded before year-end.