FORT PLAIN CENTRAL SCHOOL DISTRICT

Montgomery County, New York State

Financial Statements

For the Year Ended June 30, 2026

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Independent Auditors' Report

To the Board of Education

Fort Plain Central School District

Fort Plain, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fort Plain Central 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 Matters

As discussed in Note 24 to the financial statements, beginning General Fund fund balance and beginning net position of the governmental activities have been restated to correct an error in the June 30, 2025 accrual of the amount due to the New York State and Local Employees' Retirement System. Also as discussed in Note 24, the Shults permanent fund and the special trust fund, previously reported as fiduciary funds, and the extraclassroom activity funds are reported in the Miscellaneous Special Revenue Fund for 2026 because they are under the control of the Board of Education, a change within the financial reporting entity. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Fort Plain Central School District's management is responsible for the preparation and fair presentation 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.

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 Fort Plain Central School District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fort Plain Central 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 raise substantial doubt about Fort Plain Central 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 generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fort Plain Central School District's basic financial statements. The supplementary schedules, as listed in the table of contents, 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 supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2026, on our consideration of Fort Plain Central 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Norwich, New York

October 26, 2026

Management's Discussion and Analysis

For the year ended June 30, 2026

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

Overview of the financial statements

This report consists of management's discussion and analysis, the basic financial statements, and required supplementary information. The district-wide statements use the economic-resources measurement focus and the accrual basis. The governmental fund statements use the current-financial-resources measurement focus and the modified accrual basis. The District reports no fiduciary funds for 2026.

	District-wide	Governmental funds
Scope	Governmental activities	Major funds
Statements	Net position and activities	Balance sheet and changes in fund balances
Basis	Accrual	Modified accrual

Financial summary

Net position of governmental activities was a deficit of $7,104,061 at June 30, 2026. Beginning net position was restated from $(8,972,252), as previously reported, to $(8,431,004) (Note 24). The restatement reflects the Miscellaneous Special Revenue Fund, which now includes the extraclassroom, scholarship, and Shults permanent fund accounts ($291,880), and the correction of an error in the Employees' Retirement System accrual ($249,368). Net position increased $1,326,943 in 2026; in 2025 it increased $1,924,223.

The deficit results mainly from the total OPEB liability for retiree health benefits of $36,942,673, which is not funded in a trust. Net investment in capital assets was $18,293,008 and restricted net position was $15,082,961.

Condensed statement of net position, June 30

	2026	2025, as restated
Current and other assets	$ 28,203,682	$ 18,743,406
Capital assets, net	29,327,242	28,698,655
Total assets	**57,530,924**	**47,442,061**
Deferred outflows of resources	5,934,107	4,720,466
Long-term liabilities	48,589,131	45,240,207
Other liabilities	9,829,261	1,220,244
Total liabilities	**58,418,392**	**46,460,451**
Deferred inflows of resources	12,150,700	14,424,960
Net investment in capital assets	18,293,008	17,995,717
Restricted	15,082,961	13,026,417
Unrestricted (deficit)	(40,480,030)	(39,745,018)
Total net position	**$ (7,104,061)**	**$ (8,722,884)**

Condensed statement of activities, years ended June 30

	2026	2025
Program revenues		
Charges for services	$ 23,132	$ 105,908
Operating grants and contributions	1,444,113	1,446,442
General revenues		
Real property taxes	5,367,679	5,280,664
Other tax items	713,377	738,535
State sources	16,197,449	16,917,153
Use of money and property	523,652	575,743
Other general revenues	745,951	548,583
Total revenues	**25,015,353**	**25,613,028**
General support	3,335,526	3,245,673
Instruction	17,191,284	17,307,118
Pupil transportation	2,075,217	1,954,056
Community services	110,718	105,751
Debt service — interest	317,340	369,805
School food service	658,325	706,402
Total expenses	**23,688,410**	**23,688,805**
Change in net position	**$ 1,326,943**	**$ 1,924,223**

Detailed analyses

Governmental activities

Total revenues were $25,015,353, a decrease of $597,675 from 2025. State sources were $16,197,449, $719,704 less than in 2025, and remain the largest revenue at 65% of the total. Real property taxes were $5,367,679, up $87,015. Charges for services fell to $23,132 from $105,908.

Total expenses were $23,688,410, a decrease of $395 from 2025. Instruction decreased $115,834 to $17,191,284 and pupil transportation rose $121,161 to $2,075,217. OPEB expense was $394,618 more than benefit payments, mainly because the discount rate fell from 4.81% to 4.32%. Pension expense recognized for TRS was $1,518,455 less than the District's contributions, and for ERS $80,491 less, because contributions made after the pension systems' measurement dates ($803,089) are reported as deferred outflows of resources. Depreciation was $1,504,731.

Governmental funds

Total governmental fund balance was $16,181,223 at June 30, 2026, a decrease of $1,501,038 from the restated beginning balance of $17,682,261. The decrease is mainly the Capital Projects Fund, which records the $8,710,000 bond anticipation note issued June 25, 2026 as a fund liability.

The General Fund balance increased $665,401 to $15,511,941. Revenues were $23,028,255 (2025: $23,613,622) and expenditures were $21,812,716 (2025: $20,921,286). The General Fund transferred $1,104,295 to the Debt Service Fund for debt payments and received $550,712 from the Debt Service Fund and $3,445 from the Special Aid Fund. Restricted reserves total $13,772,024, assigned fund balance is $770,317 (encumbrances $372,060 and $398,257 appropriated for the 2026-27 budget), and unassigned fund balance is $969,600, which is 4.00% of the 2026-27 budget, the limit under Real Property Tax Law §1318.

General Fund revenues and expenditures

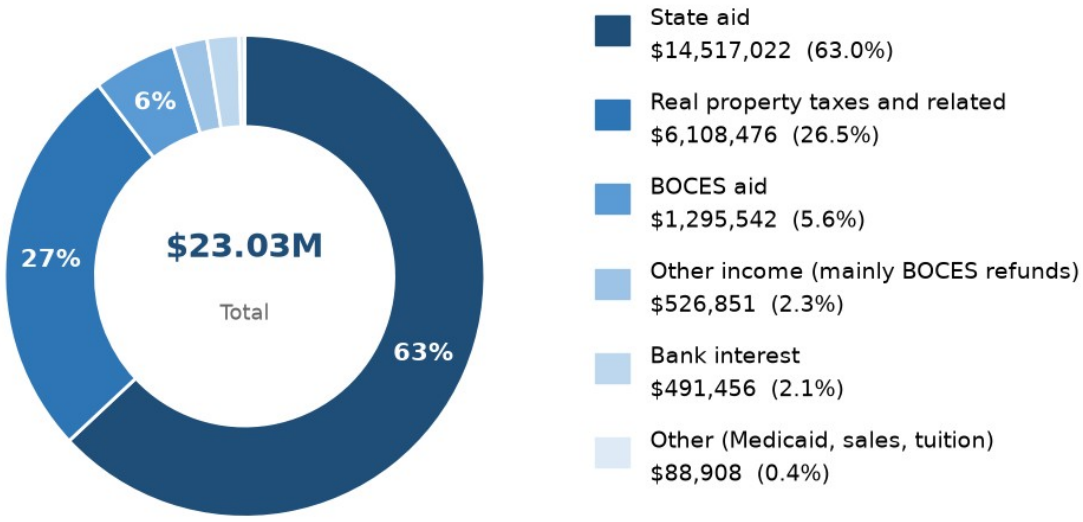
General Fund	2026	2025	Change
Revenues			
State aid	$ 14,517,022	$ 15,131,418	$ (614,396)
Real property taxes and related	6,108,476	6,045,619	62,857
BOCES aid	1,295,542	1,281,732	13,810
Other income (mainly BOCES refunds)	526,851	453,071	73,780
Bank interest	491,456	549,323	(57,867)
Federal aid (Medicaid)	58,416	43,358	15,058
Sales of materials and equipment	29,142	19,863	9,279
Tuition and fees	1,350	86,988	(85,638)
Gifts and donations	—	2,250	(2,250)
Total revenues	**23,028,255**	**23,613,622**	**(585,367)**
Expenditures			
Payroll	9,290,019	9,064,114	225,905
BOCES, contracted services and other	6,397,233	5,536,642	860,591
Employee benefits	4,946,131	4,947,728	(1,597)
Payroll taxes	664,468	511,706	152,762
Equipment and buses	514,865	861,096	(346,231)
Total expenditures	**21,812,716**	**20,921,286**	**891,430**
Net transfers out	550,138	3,100,939	(2,550,801)
Net change in fund balance	**$ 665,401**	**$ (408,603)**	**$ 1,074,004**

Revenues. General Fund revenues were $23,028,255, down $585,367 (2.5%) from 2025. State aid of $14,517,022 provides 63% of revenues and was down $614,396 (4.1%): foundation aid (basic formula) $9,074,756, down $648,711 (6.7%); excess cost aid $3,206,225, up $177,404 (5.9%); and lottery, VLT, commercial gaming, and mobile sports wagering aid together $2,057,852 ($2,143,156 in 2025), including mobile sports wagering aid of $572,894 (none recorded in that account in 2025). BOCES aid was $1,295,542 ($1,281,732 in 2025). Real property taxes were $5,367,679, up $87,015, and the STAR reimbursement $695,853 ($721,806 in 2025). Interest earnings were $491,456 ($549,323 in 2025), and refunds of prior-year BOCES expenditures $512,785 ($432,663 in 2025). Tuition and fees fell to $1,350 from $86,988; 2025 included tuition from other districts of $35,943 and solar host community fees of $50,000.

Expenditures. General Fund expenditures were $21,812,716, up $891,430 (4.3%). Salaries, payroll taxes, and employee benefits make up 68% of the total. Payroll was $9,290,019, up $225,905 (2.5%): special education instructional salaries were $1,529,108 ($1,305,549 in 2025) and regular school teaching salaries $1,850,022 ($2,103,994 in 2025). Employee benefits were $4,946,131, down $1,597 (less than 0.1%): health insurance $3,317,136 ($3,277,314 in 2025), Teachers' Retirement System contributions $711,186 ($714,175 in 2025), and Employees' Retirement System contributions $341,221 ($314,376 in 2025). Payroll taxes were $664,468 ($511,706 in 2025).

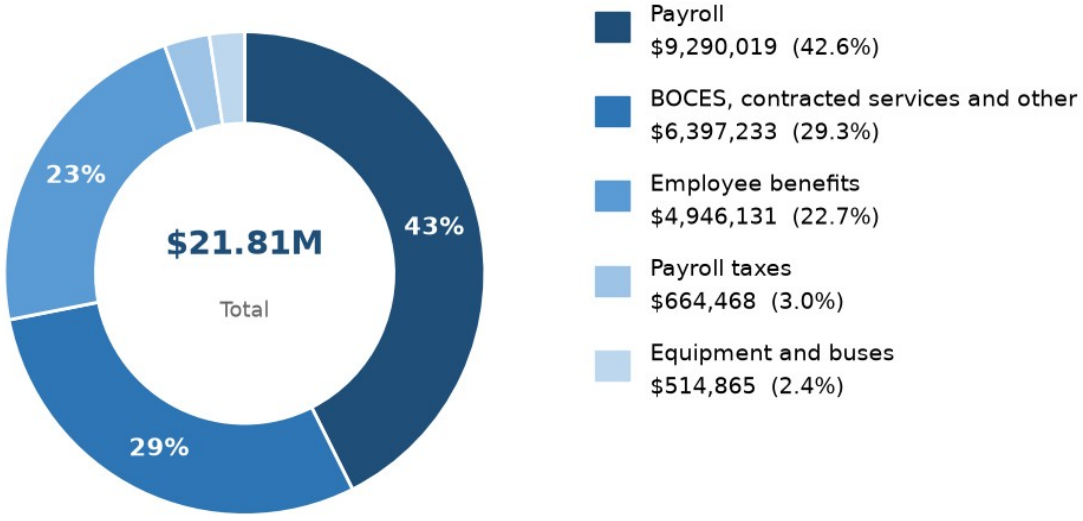
BOCES services were $4,174,191, up $765,231 (22.4%), mainly special education services of $1,584,257 ($1,112,717 in 2025). Equipment and bus purchases were $514,865, including buses of $382,168 ($700,811 in 2025). The General Fund transferred $1,104,295 to the Debt Service Fund ($1,965,187 in 2025) and received $550,712 from the Debt Service Fund and $3,445 from the Special Aid Fund; in 2025 it also transferred $1,180,000 to the Capital Projects Fund.

General Fund revenues, 2025-26



General Fund revenues of $23,028,255 by the District's analytical revenue groups. State aid, BOCES aid, and real property taxes provide 95% of revenues.

General Fund expenditures, 2025-26



General Fund expenditures of $21,812,716 by the District's analytical expense groups. Payroll, payroll taxes, and employee benefits are 68% of expenditures. Net transfers out of $550,138 are not included.

The School Food Service Fund balance decreased $28,632 to $4,871 (inventory $29,202 less an unassigned deficit of $24,331). The Debt Service Fund decreased $528,613 to $1,123,523, all restricted for debt service. The Capital Projects Fund spent $1,608,453 on the building project and ended with a deficit of $(749,950). The

Miscellaneous Special Revenue Fund ended at $290,838 (extraclassroom $98,393; Shults permanent fund $192,467; special trust $(22)).

General Fund budgetary highlights

The adopted 2025-26 budget was $24,000,000. Prior-year encumbrances of $410,755 and net revisions of $327,974 brought the final budget to $24,738,729. Actual expenditures and transfers were $22,917,011 and year-end encumbrances were $372,060, together $1,449,658 under the final budget. Revenues were $23,028,255, $44,465 more than budgeted: use of money and property exceeded budget by $322,456 and state sources were $370,244 under budget.

Significant capital asset and long-term financing activity

Capital assets, net of accumulated depreciation, were $29,327,242 at June 30, 2026 (2025: $28,698,655). Additions were $2,133,318: construction in progress on the building project $1,608,453, vehicles $382,168, and equipment $142,697. Depreciation was $1,504,731. A fully depreciated 2012 pickup truck ($27,898) was retired.

Capital assets, net of depreciation, June 30

	2026	2025
Land	$ 117,912	$ 117,912
Construction in progress	8,080,978	6,491,605
Land improvements	276,869	467,116
Buildings	18,654,603	19,527,845
Machinery and equipment	475,479	418,516
Licensed vehicles	1,721,401	1,675,661
Total capital assets, net	**$ 29,327,242**	**$ 28,698,655**

Serial bonds outstanding were $9,968,727 after principal payments of $638,116, and unamortized premium was $815,557. On June 25, 2026 the District issued an $8,710,000 bond anticipation note at 4.00%, due June 25, 2027, with a premium of $70,028, to finance the capital improvement project. The total OPEB liability increased $4,011,315 to $36,942,673. Compensated absences decreased $230,210 to $517,499. The District's share of the ERS net pension liability was $344,675, and its share of the TRS net pension asset was $2,211,602.

Long-term liabilities, June 30

	2026	2025
Serial bonds	$ 9,968,727	$ 10,606,843
Unamortized premium	815,557	954,297
Compensated absences	517,499	747,709
Other postemployment benefits	36,942,673	32,931,358
Net pension liability — ERS	344,675	—
Total	**$ 48,589,131**	**$ 45,240,207**

Currently known facts, decisions, or conditions

Voters approved the 2026-27 budget of $24,240,000 on May 19, 2026, an increase of 1.0%, and a proposition to purchase three buses from reserves. Construction on the capital improvement project (authorized January 16, 2025 at a maximum cost of $10,140,000) was planned for summer 2026, and the bond anticipation note issued in June 2026 is due June 25, 2027. The Board of Education is continuing to study a merger with the Canajoharie Central School District. Amy Bartholomew was appointed Superintendent effective July 1, 2026.

The OPEB discount rate fell from 4.81% to 4.32% at the June 30, 2026 measurement date, which increased the liability. The Property Tax Cap continues to limit levy increases.

Statement of Net Position

June 30, 2026 and June 30, 2025

	June 30, 2026	June 30, 2025, as restated (Note 24)
ASSETS		
Cash and cash equivalents — unrestricted	$ 4,780,651	$ 5,212,750
Cash and cash equivalents — restricted	20,704,929	12,149,764
Accounts receivable, net of allowance	85,007	756,779
State and Federal aid	392,291	455,169
Inventories	29,202	24,964
Capital assets — not being depreciated	8,198,890	6,609,517
Capital assets — being depreciated, net	21,128,352	22,089,138
Net pension asset — proportionate share	2,211,602	143,980
Total assets	**57,530,924**	**47,442,061**
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	3,300,543	2,506,019
Other postemployment benefits	2,633,564	2,209,652
Deferred charge on refunding, net	—	4,795
Total deferred outflows	**5,934,107**	**4,720,466**
LIABILITIES		
Accounts payable	101,864	102,733
Accrued liabilities	25,022	105,512
Accrued interest	18,404	11,199
Due to other governments	285	217
Student deposits	—	99,287
Bond anticipation notes	8,780,028	—
Due to Teachers' Retirement System	809,431	818,173
Due to Employees' Retirement System	94,227	83,123
Bonds — due within one year	680,897	638,116
Premium on bonds — due within one year	144,606	—
Bonds — due after one year	9,287,830	10,923,024
Premium on bonds — due after one year	670,951	—
Compensated absences — due after one year	517,499	747,709
Other postemployment benefits — due after one year	36,942,673	32,931,358
Net pension liability — proportionate share	344,675	—
Total liabilities	**58,418,392**	**46,460,451**
DEFERRED INFLOWS OF RESOURCES		
Pensions	2,438,543	1,520,018
Other postemployment benefits	9,712,157	12,904,942
Total deferred inflows	**12,150,700**	**14,424,960**
NET POSITION		
Net investment in capital assets	18,293,008	17,995,717
Restricted — workers' compensation	196,760	214,982
Restricted — unemployment	400,000	510,000
Restricted — employee benefits	1,099,636	1,250,807
Restricted — debt	1,123,523	—
Restricted — capital	9,025,000	8,000,000
Restricted — repairs	325,000	325,000
Restricted — retirement contributions	2,725,628	2,725,628
Restricted — permanent fund and trusts	187,414	—
Unrestricted (deficit)	(40,480,030)	(39,745,018)
Total net position	**$ (7,104,061)**	**$ (8,722,884)**

Statement of Activities

For the year ended June 30, 2026

	Expenses	Indirect	Charges	Operating grants	Capital grants	Net
General support	$ 3,335,526	$ —	$ —	$ —	$ —	$ (3,335,526)
Instruction	17,191,284	—	1,350	882,317	—	(16,307,617)
Pupil transportation	2,075,217	—	—	—	—	(2,075,217)
Community services	110,718	—	—	—	—	(110,718)
Debt service — interest	317,340	—	—	—	—	(317,340)
Food service program	658,325	—	21,782	561,796	—	(74,747)
Total functions and programs	**23,688,410**	**—**	**23,132**	**1,444,113**	**—**	**(22,221,165)**
Real property taxes						5,367,679
Other tax items						713,377
Use of money and property						523,652
Sale of property and compensation for loss						29,142
State sources						16,197,449
Federal sources						58,416
Miscellaneous						658,393
Total general revenues						**23,548,108**
Change in net position						**1,326,943**
Net position — beginning, as previously reported						**(8,972,252)**
Correction of an error — Employees' Retirement System accrual (Note 24)						249,368
Change within the financial reporting entity (Note 24)						291,880
Net position — beginning, as restated						**(8,431,004)**
Net position — ending						**$ (7,104,061)**

Balance Sheet — Governmental Funds

June 30, 2026

	General	Special Aid	Food Service	Debt Service	Capital	Misc. Special Revenue	Total
ASSETS							
Cash — unrestricted	$ 4,568,859	$ —	$ 113,399	$ —	$ —	$ —	$ 4,682,258
Cash — restricted	10,749,928	108,905	—	1,123,523	8,530,078	290,888	20,803,322
Accounts receivable	12,387	54,754	7,866	—	—	10,000	85,007
Due from other funds	1,210,050	—	—	—	—	—	1,210,050
Due from State and Federal	—	336,341	55,950	—	—	—	392,291
Inventories	—	—	29,202	—	—	—	29,202
Total assets	**$ 16,541,224**	**$ 500,000**	**$ 206,417**	**$ 1,123,523**	**$ 8,530,078**	**$ 300,888**	**$ 27,202,130**
LIABILITIES							
Accounts payable	101,864	—	—	—	—	—	101,864
Accrued liabilities	23,688	—	1,334	—	—	—	25,022
Due to other governments	73	—	212	—	—	—	285
Due to other funds	—	500,000	200,000	—	500,000	10,050	1,210,050
Bond anticipation notes	—	—	—	—	8,780,028	—	8,780,028
Due to Teachers' Retirement System	809,431	—	—	—	—	—	809,431
Due to Employees' Retirement System	94,227	—	—	—	—	—	94,227
Total liabilities	**1,029,283**	**500,000**	**201,546**	**—**	**9,280,028**	**10,050**	**11,020,907**
DEFERRED INFLOWS							
FUND BALANCES							
Nonspendable — inventory	—	—	29,202	—	—	—	29,202
Nonspendable — permanent fund principal	—	—	—	—	—	5,000	5,000
Restricted — workers' compensation	196,760	—	—	—	—	—	196,760
Restricted — unemployment	400,000	—	—	—	—	—	400,000
Restricted — retirement contributions	2,725,628	—	—	—	—	—	2,725,628
Restricted — employee benefits accrued liability	1,099,636	—	—	—	—	—	1,099,636
Restricted — debt	—	—	—	1,123,523	—	—	1,123,523
Restricted — capital	9,025,000	—	—	—	—	—	9,025,000
Restricted — repairs	325,000	—	—	—	—	—	325,000
Restricted — other purposes	—	—	—	—	—	187,414	187,414
Assigned — encumbrances	372,060	—	—	—	15,495	—	387,555
Assigned — appropriated	398,257	—	—	—	—	—	398,257
Assigned — unappropriated	—	—	—	—	—	98,424	98,424
Unassigned	969,600	—	(24,331)	—	(765,445)	—	179,824
Total fund balances	**15,511,941**	**—**	**4,871**	**1,123,523**	**(749,950)**	**290,838**	**16,181,223**
Total liabilities, deferred inflows, and fund balances	**$ 16,541,224**	**$ 500,000**	**$ 206,417**	**$ 1,123,523**	**$ 8,530,078**	**$ 300,888**	**$ 27,202,130**

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

For the year ended June 30, 2026

	General	Special Aid	Food Service	Debt Service	Capital	Misc. Special Revenue	Total
REVENUES							
Real property taxes	$ 5,367,679	$ —	$ —	$ —	$ —	$ —	$ 5,367,679
Other tax items	713,377	—	—	—	—	—	713,377
Charges for services	1,350	—	—	—	—	—	1,350
Use of money and property	518,876	—	—	—	—	4,776	523,652
Sale of property and compensation for loss	29,142	—	—	—	—	—	29,142
State sources	15,812,564	359,238	25,647	—	—	—	16,197,449
Medicaid reimbursement	58,416	—	—	—	—	—	58,416
Federal sources	—	882,317	561,796	—	—	—	1,444,113
Sales — food service	—	—	21,782	—	—	—	21,782
Miscellaneous	—	—	7,826	—	301	123,415	131,542
Local sources	526,851	—	—	—	—	—	526,851
Total revenues	**23,028,255**	**1,241,555**	**617,051**	**—**	**301**	**128,191**	**25,015,353**
EXPENDITURES							
General support	2,809,473	—	—	—	—	129,233	2,938,706
Instruction	11,496,775	1,215,350	—	—	—	—	12,712,125
Pupil transportation	1,277,756	22,760	—	—	—	—	1,300,516
Community services	109,355	—	—	—	—	—	109,355
Employee benefits	5,610,599	—	88,366	—	—	—	5,698,965
Debt service — principal	—	—	—	638,116	—	—	638,116
Debt service — interest	—	—	—	466,180	—	—	466,180
Cost of sales	—	—	547,317	—	—	—	547,317
Capital outlay	508,758	—	10,000	—	1,608,453	—	2,127,211
Total expenditures	**21,812,716**	**1,238,110**	**645,683**	**1,104,296**	**1,608,453**	**129,233**	**26,538,491**
Excess (deficiency) of revenues over expenditures	**1,215,539**	**3,445**	**(28,632)**	**(1,104,296)**	**(1,608,152)**	**(1,042)**	**(1,523,138)**
OTHER FINANCING SOURCES AND (USES)							
Premium on obligations	—	—	—	—	70,028	—	70,028
Proceeds of long-term debt	—	—	—	22,100	(70,028)	—	(47,928)
Operating transfers in	554,157	—	—	1,104,295	—	—	1,658,452
Operating transfers (out)	(1,104,295)	(3,445)	—	(550,712)	—	—	(1,658,452)
Total other sources and (uses)	**(550,138)**	**(3,445)**	**—**	**575,683**	**—**	**—**	**22,100**
Excess (deficiency) of revenues and other sources over expenditures and other uses	**665,401**	**—**	**(28,632)**	**(528,613)**	**(1,608,152)**	**(1,042)**	**(1,501,038)**
Fund balance — beginning, as previously reported	**14,597,172**	**—**	**33,503**	**1,652,136**	**858,202**	**—**	**17,141,013**
Correction of an error — Employees' Retirement System accrual (Note 24)	249,368	—	—	—	—	—	249,368
Change within the financial reporting entity (Note 24)	—	—	—	—	—	291,880	291,880
Fund balance — beginning, as restated	**14,846,540**	**—**	**33,503**	**1,652,136**	**858,202**	**291,880**	**17,682,261**
Fund balance — ending	**$ 15,511,941**	**$ —**	**$ 4,871**	**$ 1,123,523**	**$ (749,950)**	**$ 290,838**	**$ 16,181,223**

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

June 30, 2026

		Amount
Total fund balances — governmental funds		**$ 16,181,223**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (Note 7):		
Capital assets, net of accumulated depreciation		29,327,242
The District's proportionate share of the net pension asset and net pension liability of the state retirement systems, and the related deferred outflows and inflows of resources, are not current financial resources or obligations and, therefore, are not reported in the funds (Note 11):		
Net pension asset — Teachers' Retirement System	$ 2,211,602	
Net pension liability — Employees' Retirement System	(344,675)	
Deferred outflows of resources — pensions	3,300,543	
Deferred inflows of resources — pensions	(2,438,543)	
Total pension-related items		**2,728,927**
The total other postemployment benefits (OPEB) liability for contractual obligations to retired employees, and the related deferred outflows and inflows of resources, are not due and payable from current financial resources and, therefore, are not reported in the funds (Note 16):		
Total OPEB liability	(36,942,673)	
Deferred outflows of resources — OPEB	2,633,564	
Deferred inflows of resources — OPEB	(9,712,157)	
Total OPEB-related items		**(44,021,266)**
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Interest on long-term debt is accrued in the statement of net position, but is not reported in the funds until it is due (Note 10):		
Serial bonds payable	(9,968,727)	
Unamortized bond premium, net of deferred loss on refunding	(815,557)	
Compensated absences	(517,499)	
Accrued interest on long-term debt	(18,404)	
Total long-term liabilities		**(11,320,187)**
Net position of governmental activities		**$ (7,104,061)**

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

For the year ended June 30, 2026

		Amount
Net change in fund balances — total governmental funds		**$ (1,501,038)**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. Proceeds from the sale of assets are revenue in the funds, while only the gain or loss on disposal is reported in the statement of activities. In the current period these amounts are:		
Capital outlays	$ 2,133,318	
Depreciation expense	(1,504,731)	
Excess of capital outlays over depreciation		**628,587**
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Debt proceeds and premiums provide current financial resources to the funds, but issuing debt increases long-term liabilities in the statement of net position:		
Repayment of serial bond principal	638,116	
Proceeds from debt — premium on obligations	(22,100)	
Amortization of bond premium	156,045	
Net debt-related difference		**772,061**
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Decrease in compensated absences	230,210	
Increase in accrued interest on long-term debt	(7,205)	
Net long-term expense difference		**223,005**
Changes in the total OPEB liability and in the related deferred outflows and inflows of resources are reported in the statement of activities, but do not require the use of current financial resources. The funds report only the benefits paid during the year:		
Increase in total OPEB liability	(4,011,315)	
Change in deferred outflows and inflows of resources — OPEB	3,616,697	
Net OPEB difference		**(394,618)**
Changes in the proportionate share of the net pension asset and liability, and in the related deferred outflows and inflows of resources, reported in the statement of activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds:		
Employees' Retirement System — decrease in net pension liability	670,115	
Teachers' Retirement System — increase in net pension asset	1,052,832	
Change in deferred outflows and inflows of resources — pensions	(124,001)	
Net pension difference		**1,598,946**
Change in net position of governmental activities		**$ 1,326,943**

Notes to Financial Statements

June 30, 2026

The financial statements of Fort Plain Central School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the standard-setting body for those principles. Significant policies are described below.

Note 1 — Summary of significant accounting policies

A. Reporting entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of seven members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls, all activities related to public school education within the District.

The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which exclusion would cause the statements to be misleading. The District is not a component unit of another reporting entity.

Extraclassroom activity funds are the funds of the students. The Board exercises general oversight. They are reported in the Miscellaneous Special Revenue Fund. Separate cash-basis statements are presented with this report. Scholarship funds of donors (a special trust and the Shults permanent fund) are controlled by the Board. They are reported in the Miscellaneous Special Revenue Fund, not as fiduciary funds (Note 24). $5,000 of the $192,467 Shults permanent fund balance at June 30, 2026 is nonexpendable principal.

B. Joint venture

The District is a component district in the Hamilton Fulton Montgomery Board of Cooperative Educational Services (BOCES). BOCES is a voluntary, cooperative association of school districts that shares planning, services, and programs. There is no authority or process by which a school district can terminate its status as a BOCES component. BOCES are organized under section 1950 of the New York State Education Law. The District received BOCES aid of $1,295,542 for 2025-26.

Financial statements for the BOCES are available from the BOCES administrative office at 2755 State Highway 67, Johnstown, New York 12095.

C. Basis of presentation

The statement of net position and the statement of activities present governmental activities. Eliminations are made to minimize double-counting of internal transactions. The statement of activities compares program expenses and revenues for each function. Employee benefits are allocated to functions in proportion to payroll; $4,264,427 of employee benefits was allocated for 2026. Pension contributions made after the retirement systems' measurement dates and the change in the Employees' Retirement System accrual are allocated to the functions in which the related employees work (Teachers' Retirement System to instruction; Employees' Retirement System to general support and pupil transportation). Program revenues include charges and grants. Revenues that are not program revenues, including taxes, are general revenues.

The fund statements present the District’s governmental funds. All governmental funds are reported as major funds: General, Special Aid, School Food Service, Debt Service, Capital Projects, and Miscellaneous Special Revenue (extraclassroom activities, a special trust, and the Shults permanent fund). The Trust and Agency fund is combined with the General Fund. The District reports no fiduciary funds for 2026.

D. Measurement focus and basis of accounting

Accrual Basis. The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is

recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 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 are reported as other financing sources.

E. Real property taxes

Real property taxes are recorded as revenue when measurable and available. Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on August 31. Taxes are collected beginning the first day following Labor Day until October 31. Uncollected real property taxes are subsequently enforced by the county in which the District's taxpayer is located. The county pays an amount representing uncollected real property taxes transmitted to the county for enforcement to the District no later than the following April 1. Real property tax revenue for 2025-26 was $5,367,679. No taxes receivable is recorded at June 30, 2026.

F. Restricted resources

When both restricted and unrestricted resources are available, restricted resources are used first.

G. Interfund transactions

Interfund receivables, payables, and transfers are recorded in the fund statements and eliminated in the district-wide statements. Interfund balances at June 30, 2026 were $1,210,050, and transfers were $1,658,452 (Note 13).

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, useful lives of long-lived assets, other post-employment benefits, and the net pension asset and liabilities.

I. Cash, cash equivalents, and investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts. Investments, if any, are reported at fair value.

Restricted cash is reported separately from unrestricted cash. Restricted assets are cash held for reserves, the Capital Projects Fund, the Debt Service Fund, the Special Aid Fund, and the Miscellaneous Special Revenue Fund (Note 5).

J. Accounts receivable

Receivables are reported net of an allowance when an allowance is recorded. The District reports amounts due to and due from state, federal and other governments gross, with uncollectible amounts recognized under the direct

write-off method. All receivables are expected to be collected within the subsequent fiscal year. No allowance is recorded at June 30, 2026.

K. Inventories and prepaid items

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates fair value. 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 District for which benefits extend beyond year end. These items are reported as assets on the statement of net position or balance sheet using the consumption method.

A portion of fund balance equal to inventories and prepaid amounts is reported as nonspendable in the governmental fund financial statements as these assets are not in spendable form in the current period.

School Food Service inventory was $29,202 at June 30, 2026 (food $24,171; materials and supplies $5,031). No prepaid items are recorded.

L. Due to/from other funds (internal balances)

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. The amounts reported on the balance sheet as due to and due from other funds represent amounts due between different funds and are eliminated in the statement of net position. A detailed description of the individual fund balances at year end is provided in Note 13.

M. Capital assets

A capital asset is land, an easement or right of way, a land improvement, a building or other construction, machinery and equipment, or a licensed vehicle that is used in District operations and meets the capitalization threshold. Capital assets are reported at actual cost for acquisitions after December 29, 2009. For assets acquired before that date, estimated historical costs based on appraisals by independent third-party professionals were used. Donated capital assets are reported at estimated fair market value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Land and construction in progress are not depreciated. Capitalization thresholds, depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

Class of capital assets	Capitalization threshold	Depreciation method	Estimated useful life
Buildings and improvements	$10,000	Straight line	20–50 years
Furniture and equipment	$10,000	Straight line	5–20 years
Licensed vehicles	$1,000	Straight line	8–12 years

The District does not have infrastructure assets. Capital asset activity for the year is presented in Note 7.

N. Intangible lease and subscription assets

The District has no right-to-use lease assets or subscription-based information technology arrangements recorded at June 30, 2026.

O. Deferred outflows and inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports a deferred charge on defeased debt (if any) resulting from the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the shorter of the life of the refunded or refunding debt. The unamortized deferred loss on the 2017 refunding ($4,196) is netted with the unamortized bond premium. The District also reports deferred outflows of resources related to pension plans and the OPEB plan in the district-wide statement of net position, including the District's contributions to the pension systems made after the systems' measurement dates. Deferred outflows were: pensions $3,300,543 (ERS $396,640; TRS $2,903,903) and OPEB $2,633,564.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to the pension plans and the OPEB plan. Deferred inflows were: pensions $2,438,543 (ERS $687,133; TRS $1,751,410) and OPEB $9,712,157. There are no lease-receivable deferrals.

P. Pension obligations

The District participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). Benefits are established under New York law. The net pension liability or asset is the District's proportionate share. ERS is measured at March 31, 2026 and TRS at June 30, 2025. See Note 11 and the required supplementary information.

Q. Unearned credits

Unearned revenue is reported when resources are received before eligibility requirements are met, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the District has legal claim to the resources, the liability for unearned revenue is removed and revenues are recorded.

The governmental fund financial statements report unavailable revenues when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed, and revenues are recorded.

No unearned revenue is recorded at June 30, 2026.

R. Compensated absences

Liabilities for compensated absences are recognized for leave that has not been used, and for leave that has been used but not yet paid, when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used or settled. The liability was $517,499 at June 30, 2026 (2025: $747,709). The District does not accrue non-vesting sick leave.

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

S. Other post-employment benefits

In addition to providing pension benefits, the District provides post-employment health insurance coverage to retired employees and their spouses in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the General Fund in the year paid.

The District's total OPEB liability was $36,942,673 at June 30, 2026, with deferred outflows of $2,633,564 and deferred inflows of $9,712,157. See Note 16.

T. Short-term debt

Bond anticipation notes are recorded as Capital Projects Fund liabilities. On June 25, 2026 the District issued an $8,710,000 bond anticipation note at 4.00%, due June 25, 2027, with a premium of $70,028. The liability of $8,780,028 includes the unamortized premium (Note 9).

U. Accrued liabilities and long-term obligations

Long-term obligations are reported on the statement of net position. Serial bonds of $680,897 are due within one year and $9,287,830 after one year. Unamortized premium of $144,606 is shown as due within one year and $670,951 after one year. Compensated absences, the total OPEB liability, and the net pension liability are reported entirely as due after one year.

V. Equity classifications

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Net position is classified as net investment in capital assets, restricted, or unrestricted. The amounts are on the face of the statements.

Fund statements have five classifications of fund balance:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact.

Restricted Fund Balance - amounts with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Most of the District's legally adopted reserves are reported here.

Committed Fund Balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint. For the purposes of the District, the highest level of decision making authority resides with the Board of Education. The District does not maintain committed fund balance.

Assigned Fund Balance - amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the Board of Education delegates the authority.

Unassigned Fund Balance - amounts that are available for any purpose.

For the classification of governmental fund balances, the District considers an expenditure to be made from budgetary appropriation first when more than one classification is available. Assigned fund balance is established by the District through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service or for other purposes). Encumbrances at year end are considered assigned. The Board of Education approves the adoption and amendment of the budget and has the authority of final review of all assignments of fund balance. When resources are available from multiple classifications, the District spends funds in the following order: restricted, committed, assigned, unassigned.

The following is a summary of fund balance classifications and categories within those classifications. Any capital gains or interest earned on restricted or assigned fund resources becomes part of the respective restricted or assigned fund balance category. While a separate bank account is not necessary for each restricted or assigned fund, a separate identity for each reserve fund must be maintained.

Nonspendable Fund Balance

Reserve for Inventory - Amounts classified as nonspendable for inventory related directly to the amounts reported in the balance sheet - governmental funds as inventory. The balance at June 30, 2026 is $29,202 (School Food Service Fund).

Permanent Fund Principal - The nonexpendable principal of the Shults permanent fund, reported in the Miscellaneous Special Revenue Fund. The balance at June 30, 2026 is $5,000.

Restricted Fund Balance

Reserve for Workers' Compensation - Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this 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. The reserve is accounted for in the General Fund. The balance at June 30, 2026 is $196,760.

Reserve for Unemployment Insurance - Unemployment Insurance 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 employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund. The balance at June 30, 2026 is $400,000.

Reserve for ERS Retirement Contribution - Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing contributions to the New York State and Local Employees' Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the reserve must be provided to the Board. This reserve is accounted for in the General Fund. The balance at June 30, 2026 is $1,662,455.

Reserve for TRS Retirement Contribution - TRS reserve is used for the purpose of financing retirement contributions to the New York State Teachers' Retirement System. General Municipal Law (GML §6-r) permits school districts to finance retirement contributions to the TRS. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the reserve must be provided to the Board. The reserve is accounted for in the General Fund. The balance at June 30, 2026 is $1,063,173.

Reserve for Tax Certiorari - Tax Certiorari Reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. The balance at June 30, 2026 is $0.

Reserve for Capital - Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. These reserves are accounted for in the General Fund. The balance at June 30, 2026 is $9,025,000.

Reserve for Repairs - Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund the reserve, except in the case of emergency. The reserve is accounted for in the General Fund. The balance at June 30, 2026 is $325,000.

Reserve for Employee Benefit Accrued Liability - Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds 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. The reserve is accounted for in the General Fund. The balance at June 30, 2026 is $1,099,636.

Reserve for Debt Service - Mandatory Reserve for Debt Service (GML §6-l) is used to account for unexpended proceeds of obligations, proceeds from the sale of property financed by obligations still outstanding, and the interest and earnings on those amounts, to be applied to the related debt service. The reserve is accounted for in the Debt Service Fund. The entire Debt Service Fund balance of $1,123,523 at June 30, 2026 is restricted for debt service.

Restricted for Other Purposes - Amounts held in the Miscellaneous Special Revenue Fund for scholarships and awards under the terms of the special trust and the Shults permanent fund. The balance at June 30, 2026 is $187,414.

Assigned

Reserve for Subsequent Year - Represents the estimated fund balance that is appropriated into the adopted budget. The balance at June 30, 2026 is $398,257: $185,000 appropriated in the 2026-27 budget approved by the voters on May 19, 2026, and $213,257 that the Board of Education intends to appropriate at its October 21, 2026 meeting for the 2026-27 budget so that unassigned fund balance does not exceed the limit of Real Property Tax Law §1318.

Reserve for Encumbrances - Reserve for encumbrances represents the amount of outstanding encumbrances at the end of the fiscal year. The balance at June 30, 2026 is $387,555 (General Fund $372,060; Capital Projects Fund $15,495).

Miscellaneous Special Revenue Fund - Represents the amount of extraclassroom and other balances in the Miscellaneous Special Revenue Fund. The balance at June 30, 2026 is $98,424.

Unassigned

Includes all other General Fund amounts that do not meet the definition of the above classifications and are deemed to be available for general use by the District. NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. General Fund unassigned fund balance at June 30, 2026 is $969,600, which is 4.00% of the 2026-27 budget. The School Food Service Fund has an unassigned deficit of $(24,331) and the Capital Projects Fund an unassigned deficit of $(765,445).

District-wide statements have three classifications of net position:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, and other debt, including unamortized premiums, that are attributable to the acquisition, construction, or improvement of those assets, and adjusted for related deferred outflows and deferred inflows of resources. The portion of debt attributable to unspent proceeds is excluded.

Restricted Net Position - This component of net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted Net Position - This component of net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the District. When resources are available from multiple classifications, the District spends funds in the following order: restricted, unrestricted.

W. Implementation of new accounting standards

For the year ended June 30, 2026, the District implemented GASB Statement No. 103, Financial Reporting Model Improvements, and Statement No. 104, Disclosure of Certain Capital Assets. Statement No. 103 changes the content of management's discussion and analysis. Implementation did not require a restatement. Statements No. 101, Compensated Absences, and No. 102, Certain Risk Disclosures, were implemented for the year ended June 30, 2025.

X. Future changes in accounting standards

GASB has issued statements that are not yet effective. Management has not yet determined their effect on the financial statements.

Note 2 — Explanation of certain differences between 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 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 resources focus of the district-wide statements, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities

Total fund balances of the governmental funds ($16,181,223) differ from net position of governmental activities ($(7,104,061)) by $(23,285,284). This difference primarily 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 sheet. The differences are:

- Capital assets ($29,327,242, net) are used in governmental activities but are not financial resources, and are not reported in the funds.
- The proportionate share of the TRS net pension asset ($2,211,602) and the ERS net pension liability ($344,675), and the related deferred outflows ($3,300,543) and deferred inflows ($2,438,543) of resources, are not current financial resources or obligations, and are not reported in the funds (net $2,728,927).

- The total OPEB liability ($36,942,673) and the related deferred outflows ($2,633,564) and deferred inflows ($9,712,157) of resources arise from contractual obligations to retired employees that are not due and payable from current resources, and are not reported in the funds (net $(44,021,266)).
- Long-term liabilities that are not due and payable in the current period are not reported in the funds: serial bonds $9,968,727, unamortized bond premium $815,557 (net of the $4,196 deferred loss on refunding), compensated absences $517,499, and accrued interest on long-term debt $18,404 (total $(11,320,187)).

B. Statement of revenues, expenditures, and changes in fund balances vs. statement of activities

The net change in fund balances of the governmental funds ($(1,501,038)) differs from the change in net position of governmental activities ($1,326,943) by $2,827,981. Differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the statement of activities fall into the following broad categories:

- Long-term revenue and expense differences. Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used in the statement of activities. In 2026 the decrease in compensated absences ($230,210) reduces expenses in the statement of activities but not expenditures in the funds, and the increase in accrued interest ($7,205) increases interest expense, a net difference of $223,005.
- Capital-related differences. Capital-related differences include the difference between proceeds from the sale of capital assets reported in the governmental fund statements and the gain or loss on the sale reported in 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 in the statement of activities. In 2026 capital outlays of $2,133,318 were more than depreciation of $1,504,731, a net difference of $628,587. A fully depreciated 2012 pickup truck ($27,898) was retired; no gain or loss on disposal is reported in the reconciliation.
- 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 is recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position. In 2026 principal repaid on serial bonds and the energy performance contract financing ($638,116) is a reconciling item. Premium of $22,100 recorded as proceeds of long-term debt in the Debt Service Fund increases long-term liabilities, and amortization of bond premium ($156,045) reduces interest expense, a net difference of $772,061. The $8,710,000 bond anticipation note and its $70,028 premium are reported as a Capital Projects Fund liability and do not create a reconciling item.
- Pension differences. Pension differences occur as a result of changes in the District's proportion of the collective net pension asset or liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems. In 2026 the ERS net pension liability decreased $670,115, the TRS net pension asset increased $1,052,832, and pension deferred outflows and inflows changed by $(124,001), a net difference of $1,598,946. The change in deferred outflows includes the District's contributions made after the measurement dates ($803,089).
- Other postemployment benefit (OPEB) differences. OPEB differences occur as a result of changes in the District's total OPEB liability and the related deferred outflows and inflows of resources, and differences between the benefits the District pays and OPEB expense. In 2026 the total OPEB liability increased $4,011,315, OPEB deferred outflows increased $423,912, and OPEB deferred inflows decreased $3,192,785, a net difference of $(394,618). That equals benefits paid ($687,576) less OPEB expense ($1,082,194).

Note 3 — Changes in accounting principles

No change in accounting principle had an effect on beginning balances. The change within the financial reporting entity for the extraclassroom and scholarship funds and the correction of an error in the Employees' Retirement System accrual are described in Note 24.

Note 4 — Stewardship, compliance, and accountability

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund for which a legal (appropriated) budget is adopted. The voters of the District approve the proposed appropriation budget in May of each year. The voters approved the General Fund budget for the year ended June 30, 2026.

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 by budget amendments approved by the Board of Education because of selected new revenue sources not included in the original budget (when permitted by law). Supplemental appropriations may occur, subject to legal restrictions, if the Board approves them because of a need that exists that was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances of $410,755 were carried forward from June 30, 2025.

The adopted General Fund budget for 2025-26 was $24,000,000. It was funded by estimated revenues of $22,983,785, budgeted interfund transfers of $816,215, and $200,000 of fund balance appropriated at June 30, 2025. Appropriations were increased by prior-year encumbrances of $410,755 and by net revisions of $327,974 ($327,969 of fund balance appropriated for the voter-approved bus purchase and $5 of additional estimated revenues), for a final budget of $24,738,729. Actual revenues were $44,465 more than the final budget, transfers in were $262,058 less than budgeted, and expenditures and encumbrances were $1,449,658 less than the final budget. A comparison of budget and actual results is presented as required supplementary information.

Budgets for the Capital Projects Fund are established for individual projects as approved by a special referendum of the District’s voters or by bond resolution. 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.

Budgets for the Special Aid Fund are established by grantors and used for individual program expenditures. The maximum program amount authorized is based upon the grantor contracts and agreements, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the program. Annual legal budgets are not adopted for the School Food Service, Miscellaneous Special Revenue, or Debt Service Funds; budgetary controls for those funds are established internally.

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances at year end are reported as assigned fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period, and the related expenditures are recognized at that time. Outstanding encumbrances at June 30, 2026 were $372,060 in the General Fund and $15,495 in the Capital Projects Fund.

C. Real Property Tax Law §1318

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district may retain to no more than 4% of the General Fund budget for the ensuing fiscal year. Nonspendable and restricted fund balance, amounts appropriated for the subsequent year, and encumbrances are excluded from the limit. The voters approved the 2026-27 budget of $24,240,000 on May 19, 2026. Four percent of that budget is $969,600. At June 30, 2026, General Fund unrestricted fund balance was $1,739,917. After excluding fund balance of $398,257 appropriated for the 2026-27 budget ($185,000 in the budget approved by the voters and $213,257 that the Board of Education intends to appropriate at its October 21, 2026 meeting) and encumbrances of $372,060, $969,600 is subject to the limit, which is 4.00% of the ensuing year's budget.

D. Fund deficits

The Capital Projects Fund has a deficit fund balance of $(749,950) at June 30, 2026, because the $8,710,000 bond anticipation note issued to finance the 2024 capital improvement project is reported as a liability of the fund. The deficit will be eliminated when permanent financing is obtained or the notes are redeemed. The School Food Service Fund has an unassigned deficit of $(24,331) (total fund balance $4,871, after nonspendable inventory of $29,202).

Note 5 — Cash and cash equivalents

The District’s investment policies are governed by New York State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand deposits, time deposits, and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District’s investment policies, as discussed above. At June 30, 2026, the District's bank deposits were fully covered by federal deposit insurance or collateralized with securities pledged by the depository financial institutions, as required by New York State statutes. None of the District's deposits were uncollateralized.

Cash and cash equivalents at June 30, 2026 are reported in the governmental funds as follows:

	Amount
Unrestricted cash	$ 4,682,258
Restricted cash	20,803,322
Total	**$ 25,485,580**

Restricted cash represents cash and cash equivalents whose use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2026 was $20,803,322: General Fund $10,749,928, Special Aid Fund $108,905, Debt Service Fund $1,123,523, Capital Projects Fund $8,530,078, and Miscellaneous Special Revenue Fund $290,888, which includes extraclassroom cash of $98,393. In the statement of net position the extraclassroom cash is included in unrestricted cash.

Note 6 — Receivables

Receivables at June 30, 2026 consisted of the following, which are stated at net realizable value. Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts is provided, because management has deemed the amounts to be fully collectible.

	General	Special Aid	School Food Service	Misc. Special Revenue	Total
Accounts receivable	$ 12,387	$ 54,754	$ 7,866	$ 10,000	$ 85,007
State and Federal aid	—	336,341	55,950	—	392,291
Total receivables	**$ 12,387**	**$ 391,095**	**$ 63,816**	**$ 10,000**	**$ 477,298**

No taxes receivable or amounts due from other governments are recorded at June 30, 2026. All receivables are expected to be collected within one year.

Note 7 — Capital assets, intangible lease, and subscription assets

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

	Beginning balance	Additions	Retirements and transfers	Ending balance
Capital assets not being depreciated				
Land	$ 117,912	$ —	$ —	$ 117,912
Construction in progress	6,491,605	1,608,453	(19,080)	8,080,978
Total capital assets not being depreciated	**6,609,517**	**1,608,453**	**(19,080)**	**8,198,890**
Capital assets being depreciated				
Buildings	37,774,911	—	—	37,774,911
Land improvements	5,273,671	—	—	5,273,671
Machinery and equipment	1,535,284	142,697	19,080	1,697,061
Licensed vehicles	2,847,898	382,168	(27,898)	3,202,168
Total capital assets being depreciated	**47,431,764**	**524,865**	**(8,818)**	**47,947,811**
Less accumulated depreciation	(25,342,626)	(1,504,731)	27,898	(26,819,459)
Total capital assets being depreciated, net	**22,089,138**	**(979,866)**	**19,080**	**21,128,352**
Capital assets, net	**$ 28,698,655**	**$ 628,587**	**$ —**	**$ 29,327,242**

Accumulated depreciation at June 30, 2026 by class was: buildings $19,120,308; land improvements $4,996,802; machinery and equipment $1,221,582; and licensed vehicles $1,480,767.

Depreciation expense was charged to governmental functions as follows:

	Amount
General support	$ 199
Instruction	1,013,832
Pupil transportation	488,317
School food service	2,383
Total depreciation expense	**$ 1,504,731**

Additions of $2,133,318 were construction in progress on the 2024 capital improvement project ($1,608,453), licensed vehicles ($382,168), and machinery and equipment ($142,697). Construction in progress of $19,080 was placed in service as equipment. A fully depreciated 2012 pickup truck ($27,898) was retired. Capital asset balances are based on the District's fixed asset appraisal report prepared by CBIZ Valuation Group, adjusted for the current-year additions of licensed vehicles and machinery and equipment. Construction in progress is the cost of the 2024 capital improvement project, which was open at June 30, 2026, and of earlier project costs not yet placed in service; it will be added to the appraisal report when the project is completed. The District has no right-to-use lease or subscription assets.

Note 8 — Lease receivable

The District has no lease receivables at June 30, 2026.

Note 9 — Short-term debt

The District may issue revenue anticipation notes and tax anticipation notes in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will receive the proceeds and are extinguished using expendable, available resources of that fund. The District may issue budget notes up to an amount not to exceed 5% of the annual budget during any fiscal year, for expenditures for which there is an insufficient or no provision in the annual budget. A budget note must be repaid no later than the close of the second fiscal year succeeding the year in which it was issued.

The District may issue bond anticipation notes in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the fund that will receive the proceeds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. Short-term debt activity for the year was as follows:

	Beginning	Issued	Redeemed	Ending
Bond anticipation notes	$ —	$ 8,710,000	$ —	$ 8,710,000
Unamortized premium on bond anticipation notes	—	70,028	—	70,028
Total	**$ —**	**$ 8,780,028**	**$ —**	**$ 8,780,028**

On June 25, 2026 the District issued an $8,710,000 bond anticipation note at 4.00%, due June 25, 2027, to finance the 2024 capital improvement project. Premium of $70,028 was received; the note liability of $8,780,028 in the Capital Projects Fund includes the unamortized premium. Interest accrued on the note at June 30, 2026 was $4,839. No interest on bond anticipation notes was paid in 2026.

Note 10 — Long-term obligations

The District borrows money in order to acquire land or equipment, or to construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the District, are recorded in the statement of net position. Long-term liability balances and activity for the year are summarized below:

	Beginning	Issued	Paid	Ending	Due within one year
Serial bonds	$ 10,606,843	$ —	$ 638,116	$ 9,968,727	$ 680,897
Unamortized premium, net of deferred loss on refunding	949,502	22,100	156,045	815,557	144,606
Compensated absences	747,709	—	230,210	517,499	—
Other postemployment benefits	32,931,358	5,207,253	1,195,938	36,942,673	—
Net pension liability	1,014,790	—	670,115	344,675	—
Total	**$ 46,250,202**	**$ 5,229,353**	**$ 2,890,424**	**$ 48,589,131**	**$ 825,503**

Serial bonds include the 2023 energy performance contract installment financing. Unamortized premium on the 2021 bonds of $819,753 is reported net of the $4,196 unamortized deferred loss on the 2017 refunding bonds ($815,557); amortization for the year was $156,644 of premium less $599 of deferred loss ($156,045). Compensated absences represent the value of leave that has not been used, and leave that has been used but not yet paid, that is attributable to services already rendered, accumulates, and is more likely than not to be used or settled. The change is shown net.

Net pension liability represents the District's proportionate share of the ERS net pension liability, determined by an actuarial valuation (Note 11). The TRS proportionate share is a net pension asset of $2,211,602 (June 30, 2025: $1,158,770).

Other postemployment benefits represent the actuarial valuation of the District's postemployment health benefit plan, which involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future (Note 16).

Serial bonds outstanding at June 30, 2026 were:

Issue	Issued	Original amount	Final maturity	Interest paid 2026	Outstanding
2017 refunding serial bonds	November 7, 2017	$ 8,315,000	June 15, 2040	$ 129,625	$ 3,335,000
DASNY School District Revenue Bond Financing Program serial bonds	June 15, 2021	7,340,000	June 15, 2036	279,750	5,575,000
Energy performance contract installment financing, Cogent Leasing and Financing, Inc., 5.17%	December 5, 2023	1,137,401	December 15, 2039	56,805	1,058,727
Total				**$ 466,180**	**$ 9,968,727**

The energy performance contract financing is payable semiannually on June 15 and December 15 through December 15, 2039.

In the event of a default in the payment of principal or interest on the serial bonds, the New York State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the New York State Finance Law, state aid and assistance to the District and to apply the amount withheld to the payment of the defaulted principal or interest. Principal and interest payments due on serial bonds are as follows:

Year ending June 30	Principal	Interest
2027	$ 680,897	$ 434,148
2028	723,824	399,971
2029	751,905	363,640
2030–2034	4,341,685	1,240,141
2035–2039	3,121,841	347,986
2040	348,575	11,341
Total	**$ 9,968,727**	**$ 2,797,227**

Interest expense on long-term debt and notes for the year was:

	Amount
Interest paid — serial bonds	$ 409,375
Interest paid — energy performance contract financing	56,805
Total interest paid	**466,180**
Less interest accrued in the prior year	(11,199)
Add interest accrued in the current year	18,404
Less amortization of bond premium, net of deferred loss on refunding	(156,045)
Total interest expense	**$ 317,340**

Note 11 — Pension plans

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

A. Provisions and administration

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

Employees' Retirement System (ERS). 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. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The System is included in the State's financial report as a pension trust fund. That report, including information about benefits provided, may be found at www.osc.ny.gov/retirement/publications or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

B. Funding policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% 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% of their salary for their entire length of service. Contribution rates for ERS Tier VI members vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates used in computing the employers' contributions, based on salaries paid during the System's fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. The District's required contributions were:

Year ended June 30	ERS	TRS
2026	$ 330,188	$ 697,162
2025	273,121	741,464
2024	262,680	723,755

The District's contributions to the Systems were equal to 100% of the contributions required for each year. Amounts due to the Systems at June 30, 2026, reported in the General Fund, were ERS $94,227 and TRS $809,431.

C. Pension liabilities, pension expense, and deferred outflows and inflows of resources

At June 30, 2026, the District reported the following for its proportionate share of the net pension asset or liability of each System. The net pension liability (asset) was measured as of March 31, 2026 for ERS and June 30, 2025 for TRS. The total pension liability used to calculate the net pension liability (asset) was determined by actuarial valuations as of April 1, 2025 (ERS) and June 30, 2024 (TRS), rolled forward to the measurement dates. The District's proportion was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the Systems in reports provided to the District.

	Employees' Retirement System	Teachers' Retirement System
Measurement date	March 31, 2026	June 30, 2025
Proportion	0.0061094%	0.037351%
Net pension liability (asset)	$ 344,675	$ (2,211,602)
Discount rate	5.9%	6.95%
Deferred outflows	396,640	2,903,903
Deferred inflows	687,133	1,751,410
Covered payroll	2,378,195	7,631,055
Pension expense (credit)	355,623	(75,234)

At June 30, 2026, the District reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows — ERS	Deferred outflows — TRS	Deferred inflows — ERS	Deferred inflows — TRS
Differences between expected and actual experience	$ 197,243	$ 1,159,373	$ —	$ —
Changes of assumptions	59,165	875,504	—	23,845
Net difference between projected and actual earnings on pension plan investments	—	—	618,021	1,727,256
Changes in proportion and differences between the District's contributions and proportionate share of contributions	34,305	171,864	69,112	309
District's contributions subsequent to the measurement date	105,927	697,162	—	—
Total	**$ 396,640**	**$ 2,903,903**	**$ 687,133**	**$ 1,751,410**

The $803,089 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement dates (ERS $105,927; TRS $697,162) will be recognized as a reduction of the net pension liability, or an increase in the net pension asset, in the year ending June 30, 2027. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	ERS	TRS
2027	$ 124,588	$ 1,165,258
2028	(238,508)	(426,777)
2029	(146,615)	(462,132)
2030	(135,885)	(76,999)
2031	—	211,705
Thereafter	—	44,276
Total	**$ (396,420)**	**$ 455,331**

D. Actuarial assumptions

The total pension liability at each measurement date was determined by an actuarial valuation, with update procedures used to roll forward the total pension liability to the measurement date. Significant assumptions were:

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Investment rate of return and discount rate	5.9%	6.95%
Salary scale	5.2%	1.95%–5.18%
Inflation rate	2.9%	2.4%
Cost-of-living adjustments	1.5%	1.3%
Mortality improvement scale	MP-2021	MP-2021

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, Selection of Economic Assumptions for Measuring Pension Obligations, using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the long-term expected real rates of return for each major asset class are:

Asset class	ERS target allocation	ERS long-term expected real rate of return	TRS target allocation	TRS long-term expected real rate of return
Domestic equities	25%	3.29%	33%	6.7%
International equities	14%	5.85%	15%	7.4%
Global equities	—	—	4%	7.0%
Private equity	15%	7.00%	9%	9.8%
Real estate	12%	5.20%	11%	6.5%
Opportunistic portfolio	3%	5.13%	—	—
Credit	4%	5.10%	—	—
Real assets	4%	5.54%	—	—
Fixed income	22%	1.75%	16%	2.6%
Private debt	—	—	2%	6.1%
Global fixed income	—	—	2%	2.4%
Real estate mortgages	—	—	6%	3.8%
High-yield bond income	—	—	1%	4.7%
Cash	1%	0.25%	1%	0.6%
Total	**100%**		**100%**	

Discount rate. The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required, actuarially determined rates. Based on those assumptions, each System’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.

E. Sensitivity of the proportionate share of the net pension liability (asset) to the discount rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the current discount rate, and what it would be if calculated using a discount rate 1 percentage point lower or 1 percentage point higher:

	1% decrease	Current assumption	1% increase
ERS (4.9% / 5.9% / 6.9%)	$ 2,354,033	$ 344,675	$ (1,335,238)
TRS (5.95% / 6.95% / 7.95%)	4,249,622	(2,211,602)	(7,648,386)

F. Pension plan fiduciary net position

The components of the collective net pension liability (asset) of the Systems at the measurement dates were (dollars in thousands):

	ERS	TRS
Measurement date	March 31, 2026	June 30, 2025
Employers' total pension liability	$ 253,773,040	$ 148,272,069
Plan fiduciary net position	248,131,290	154,193,125
Employers' net pension liability (asset)	**$ 5,641,750**	**$ (5,921,056)**
Plan fiduciary net position as a percentage of the total pension liability	97.78%	103.99%

G. Other items

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees provided with pension benefits. Collective pension expense includes certain current-period changes in the collective net pension liability (asset), projected earnings on pension plan investments, and the amortization of deferred outflows and deferred inflows of resources for the current period. Pension expenditures in the governmental funds were ERS $359,090 (General Fund $341,221; School Food Service Fund $17,869) and TRS $711,186 (General Fund).

Note 12 — Unrestricted net position

Unrestricted net position was $(40,480,030) at June 30, 2026. The deficit results mainly from long-term liabilities that are not reported in the funds: the total OPEB liability of $36,942,673 and related net deferred inflows of $7,078,593, and compensated absences of $517,499. These are partly offset by the TRS net pension asset.

Note 13 — Interfund transactions

Interfund receivables and payables are eliminated on the statement of net position. Interfund balances at June 30, 2026 and transfers for the year then ended were:

	Due from	Due to	Transfers in	Transfers out
General Fund	$ 1,210,050	$ —	$ 554,157	$ 1,104,295
Special aid	—	500,000	—	3,445
School food service	—	200,000	—	—
Debt service	—	—	1,104,295	550,712
Capital projects	—	500,000	—	—
Miscellaneous special revenue	—	10,050	—	—
Total	**$ 1,210,050**	**$ 1,210,050**	**$ 1,658,452**	**$ 1,658,452**

The District typically loans 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. At June 30, 2026, the Special Aid Fund ($500,000), the School Food Service Fund ($200,000), the Capital Projects Fund ($500,000), and the Miscellaneous Special Revenue Fund ($10,050) owed the General Fund.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The General Fund transferred $1,104,295 to the Debt Service Fund

for debt service payments. The Debt Service Fund transferred $550,712 and the Special Aid Fund transferred $3,445 to the General Fund.

Note 14 — Risk management

A. General

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

B. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund by the benefit reimbursement method, a dollar-for-dollar reimbursement to the Fund for benefits paid to former employees. The District has established an unemployment insurance reserve under General Municipal Law §6-m to pay these claims; the reserve was $400,000 at June 30, 2026. Unemployment expenditures were $1,262 for the year (General Fund $1,212; School Food Service Fund $50).

C. Workers’ compensation

Workers' compensation expenditures were $90,624 for the year (General Fund $89,712; School Food Service Fund $912).

Note 15 — Commitments and contingencies

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

Potential liability to New York State. The District has received state aid revenue sharing and grants, which are subject to audit by the Office of the New York State Comptroller. Such audits may result in adjustments to revenues. Based on prior audits, the District’s administration believes any adjustments will be immaterial.

Capital project. Voters authorized the 2024 capital improvement project at a maximum cost of $10,140,000 on January 16, 2025. Expenditures through June 30, 2026 were $1,985,999, leaving $8,154,001 of the authorization unexpended.

Encumbrances. Encumbrances outstanding at June 30, 2026 were General Fund $372,060 and Capital Projects Fund $15,495.

Note 16 — Postemployment benefits obligation payable

The District provides postemployment health coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the District's contractual agreements.

A. General information about the OPEB plan

Plan description. The District's defined benefit OPEB plan provides OPEB for eligible retired employees and their dependents. The plan is a single-employer defined benefit OPEB plan administered by the District. The authority to establish and amend benefit terms and financing requirements rests with the Board of Education, subject to collective bargaining agreements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan is funded on a pay-as-you-go basis.

Benefits provided. The District provides medical, prescription drug, and vision benefits. Eligible retirees and their dependents may continue health care coverage through the District for life; retirees who elect to participate pay any required contributions. The benefits provided are based on the provisions of the various contracts the District has in place.

Employees covered by benefit terms. At the June 30, 2024 valuation date, the following were covered:

	Number
Inactive employees or beneficiaries currently receiving benefits	140
Active employees	150
Total	**290**

B. Total OPEB liability

The District's total OPEB liability of $36,942,673 was measured as of June 30, 2026 and was determined by an actuarial valuation as of June 30, 2024, rolled forward to the measurement date (NERIC GASB 75 report dated August 6, 2026).

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

	Assumption
Discount rate	4.32% (June 30, 2025: 4.81%)
Basis of discount rate	Index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa or higher
Salary increases	Vary by pension retirement system membership (TRS or ERS)
Actuarial cost method	Entry age normal, level percent of salary
Healthcare cost trend rates — medical and prescription drug	6.75% from 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing gradually to an ultimate rate of 4.04% by 2075
Medicare Part B trend	Actual increase from 2024 to 2025, then the projected premium increase in the 2024 Medicare Trustees report, decreasing to an ultimate rate of 4.04% by 2075
Inflation	2.60%
Mortality	Pub-2010 headcount-weighted tables (Teachers for the TRS group; General Employees for the ERS group), projected fully generationally with scale MP-2021

Because the plan is not funded, the discount rate is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, consistent with GASB Statement No. 75.

C. Changes in the total OPEB liability

	Amount
Liability at the beginning of the year	**$ 32,931,358**
Service cost	979,989
Interest	1,614,794
Differences between expected and actual experience	(508,362)
Changes of assumptions or other inputs	2,612,470
Benefit payments	(687,576)
Liability at the end of the year	**$ 36,942,673**

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability, and what it would be if calculated using a discount rate 1 percentage point lower or higher than the current rate:

	1% decrease (3.32%)	Current rate (4.32%)	1% increase (5.32%)
Total OPEB liability	$ 43,282,098	$ 36,942,673	$ 31,897,550

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability, and what it would be if calculated using healthcare cost trend rates 1 percentage point lower or higher than the current rates:

	1% decrease	Current trend rates	1% increase
Total OPEB liability	$ 30,913,787	$ 36,942,673	$ 44,756,182

D. OPEB expense and deferred outflows and inflows of resources related to OPEB

For the year ended June 30, 2026, the District recognized OPEB expense of $1,082,194: service cost $979,989, interest $1,614,794, recognition of differences between expected and actual experience $(1,258,703), and recognition of assumption changes $(253,886). At June 30, 2026, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ —	$ 3,417,322
Changes of assumptions or other inputs	2,633,564	6,294,835
Total	**$ 2,633,564**	**$ 9,712,157**

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

Year ending June 30	Amount
2027	$ (2,793,746)
2028	(2,881,079)
2029	(1,308,716)
2030	(445,735)
2031	350,683
Total	**$ (7,078,593)**

Note 17 — Tax abatements

The District does not have any property tax abatement agreements in place as of June 30, 2026. The District is not subject to any tax abatement agreements entered into by other governmental entities as of June 30, 2026.

Note 18 — Overpayments

No overpayments or collections in advance are recorded at June 30, 2026.

Note 19 — Related party transactions

No related-party transactions were identified.

Note 20 — Discretely presented component units

The District has no discretely presented component units.

Note 21 — Derivatives not reported at fair value

The District has no derivative instruments.

Note 22 — Impairment losses and insurance recoveries

No impairment losses or insurance recoveries were reported for the year ended June 30, 2026.

Note 23 — Real estate held as investments by endowments

The District has no real estate held as investments by endowments.

Note 24 — Restatement of beginning balances

Beginning fund balances and beginning net position were restated for the following items:

- **Correction of an error — Employees' Retirement System accrual.** The amount due to the New York State and Local Employees' Retirement System (ERS) at June 30 should be accrued as the portion of the April 1 through March 31 ERS billing attributable to the District's fiscal year, which is three-twelfths of the annual bill (April through June). The June 30, 2025 financial statements reported an amount due to ERS of $332,491; the amount that should have been reported was $83,123. In accordance with GASB Statement

No. 100, this correction of an error was reported by restating beginning General Fund fund balance and beginning net position of the governmental activities, each increased by $249,368.

- **Change within the financial reporting entity.** Beginning fund balance of the Miscellaneous Special Revenue Fund and beginning net position were restated for a change within the financial reporting entity (GASB Statement No. 100). The Shults permanent fund and the special trust fund, reported as fiduciary funds in 2025, and the extraclassroom activity funds, reported in 2025 with an offsetting student-deposit liability, are now reported in the Miscellaneous Special Revenue Fund because the Board controls those funds.

The June 30, 2025 amounts presented in the statement of net position reflect the correction of the error in the Employees' Retirement System accrual: the amount due to the Employees' Retirement System is $83,123 (previously $332,491) and total net position is $(8,722,884) (previously $(8,972,252)). The change within the financial reporting entity is reported as an adjustment of July 1, 2025 balances.

	Governmental activities	Total governmental funds	General Fund	Misc. Special Revenue
June 30, 2025, as previously reported	**$ (8,972,252)**	**$ 17,141,013**	**$ 14,597,172**	**$ —**
Correction of an error — Employees' Retirement System accrual	249,368	249,368	249,368	—
June 30, 2025, as restated	**(8,722,884)**	**17,390,381**	**14,846,540**	**—**
Change within the financial reporting entity	291,880	291,880	—	291,880
July 1, 2025, as restated	**$ (8,431,004)**	**$ 17,682,261**	**$ 14,846,540**	**$ 291,880**

Note 25 — Subsequent events

The District has evaluated subsequent events through October 26, 2026, the date the financial statements were available to be issued. The following matters occurred after June 30, 2026:

- **Capital improvement project. Construction on the 2024 capital improvement project, authorized by the voters on January 16, 2025 at a maximum cost of $10,140,000 ($8,154,001 unexpended at June 30, 2026), was scheduled for the summer of 2026.**
- **Bus purchase. On May 19, 2026, the voters approved a proposition to purchase three gasoline/diesel buses at an estimated cost of approximately $350,000, to be funded from reserves with no effect on the tax levy.**

Required Supplementary Information

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Years ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 979,989	$ 1,193,255	$ 1,172,840	$ 1,313,286	$ 1,949,049	$ 1,897,432	$ 1,223,827	$ 765,827	$ 801,753	
Interest	1,614,794	1,541,330	1,463,717	1,362,794	1,031,994	991,847	1,175,008	1,243,148	1,138,139	
Changes in benefit terms	—	(117,674)	—	32,379	—	—	—	—	—	
Differences between expected and actual experience	(508,362)	(1,677,507)	(405,572)	(2,933,791)	(161,150)	(2,584,241)	(108,377)	(161,685)	—	
Changes of assumptions or other inputs	2,612,470	(3,101,042)	(456,856)	(2,100,886)	(10,845,334)	3,195,524	9,076,507	(330,619)	(1,612,489)	
Benefit payments	(687,576)	(643,210)	(606,234)	(573,420)	(666,581)	(642,705)	(628,628)	(613,701)	(916,369)	
Net change in total OPEB liability	**4,011,315**	**(2,804,848)**	**1,167,895**	**(2,899,638)**	**(8,692,022)**	**2,857,857**	**10,738,337**	**902,970**	**(588,966)**	
Total OPEB liability — beginning	**32,931,358**	**35,736,206**	**34,568,311**	**37,467,949**	**46,159,971**	**43,302,114**	**32,563,777**	**31,660,807**	**32,249,773**	
Total OPEB liability — ending	**$ 36,942,673**	**$ 32,931,358**	**$ 35,736,206**	**$ 34,568,311**	**$ 37,467,949**	**$ 46,159,971**	**$ 43,302,114**	**$ 32,563,777**	**$ 31,660,807**	
Covered-employee payroll	9,524,397	8,617,147	10,286,217	8,844,195	8,832,795	8,779,727	9,625,314	8,767,831	8,721,855	
Total OPEB liability as a percentage of covered-employee payroll	387.87%	382.16%	347.42%	390.86%	424.19%	525.76%	449.88%	371.40%	363.01%	

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Ten years of information will be presented as it becomes available; 2017 information is not available.

Schedule of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual — General Fund

For the year ended June 30, 2026

	Original budget	Final budget	Actual	Encumbrances	Variance with final budget
REVENUES					
Local sources	$ 6,720,977	$ 6,720,982	$ 7,157,275		$ 436,293
State sources	16,182,808	16,182,808	15,812,564		(370,244)
Federal sources	80,000	80,000	58,416		(21,584)
Total revenues	**22,983,785**	**22,983,790**	**23,028,255**		**44,465**
OTHER FINANCING SOURCES					
Operating transfers in	816,215	816,215	554,157		(262,058)
APPROPRIATED FUND BALANCE					
Prior year's surplus	200,000	200,000			
Prior year's encumbrances	—	410,755			
Voter-approved bus purchase (appropriated fund balance)	—	327,969			
Total revenues, other sources, and appropriated fund balance	**24,000,000**	**24,738,729**	**23,582,412**		
EXPENDITURES					
General support	2,691,576	3,015,545	2,809,473	$ 19,353	186,719
Instruction	12,373,714	12,149,998	11,496,775	12,109	641,114
Pupil transportation	1,297,083	1,393,938	1,277,756	—	116,182
Community services	102,679	109,355	109,355	—	—
Employee benefits	6,275,653	6,078,948	5,610,599	—	468,349
Capital outlay	155,000	886,650	508,758	340,598	37,294
Total expenditures	**22,895,705**	**23,634,434**	**21,812,716**	**372,060**	**1,449,658**
OTHER FINANCING USES					
Operating transfers out	1,104,295	1,104,295	1,104,295	—	—
Total expenditures and other uses	**24,000,000**	**24,738,729**	**22,917,011**	**372,060**	**1,449,658**
Net change in fund balance			**665,401**		
Fund balance — beginning of year, as previously reported			**14,597,172**		
Correction of an error — Employees' Retirement System accrual (Note 24)			249,368		
Fund balance — beginning of year, as restated			**14,846,540**		
Fund balance — end of year			**$ 15,511,941**		

Notes to Required Supplementary Information — Budget and Actual

Budgetary procedures and budgetary accounting. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund for which a legal (appropriated) budget is adopted. The voters of the District approve the proposed appropriation budget in May of each year. Appropriations lapse at the end of the fiscal year unless expended or encumbered.

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

Budget revisions. Appropriations were increased by prior-year encumbrances of $410,755 and by net revisions of $327,974 ($327,969 of fund balance appropriated for the voter-approved bus purchase and $5 of additional estimated revenues). From the original to the final budget, appropriations increased for general support ($323,969), pupil transportation ($96,855), community services ($6,676), and capital outlay ($731,650), and reduced instruction ($223,716) and employee benefits ($196,705).

Budget variances. Revenues were $44,465 more than the final budget: local sources exceeded budget by $436,293, while state sources were $370,244 and federal sources $21,584 under budget. Operating transfers in were $262,058 less than budgeted. Expenditures and encumbrances were $1,449,658 less than the final budget, mainly in instruction ($641,114), employee benefits ($468,349), general support ($186,719), and pupil transportation ($116,182).

Schedule of District Contributions

Last ten fiscal years

Employees' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 330,188	$ 273,121	$ 262,680	$ 264,569	$ 304,334	$ 294,974	$ 289,477	$ 290,296	$ 313,173	$ 309,922
Contributions in relation to the contractually required contribution	330,188	273,121	262,680	264,569	304,334	294,974	289,477	290,296	313,173	309,922
District's covered-employee payroll	2,378,195	2,187,938	1,978,514	2,191,074	2,050,154	1,990,705	2,113,497	2,054,725	2,110,888	2,079,690
Contributions as a percentage of covered-employee payroll	13.88%	12.48%	13.28%	12.07%	14.84%	14.82%	13.70%	14.13%	14.84%	14.90%

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 697,162	$ 741,464	$ 723,755	$ 773,727	$ 717,016	$ 694,096	$ 648,599	$ 772,138	$ 690,481	$ 803,895
Contributions in relation to the contractually required contribution	697,162	741,464	723,755	773,727	717,016	694,096	648,599	772,138	690,481	803,166
Contribution deficiency (excess)	—	—	—	—	—	—	—	—	—	**729**
District's covered-employee payroll	7,269,677	7,333,966	8,203,586	7,316,490	7,082,612	7,283,271	7,396,327	7,270,605	7,172,084	6,713,416
Contributions as a percentage of covered-employee payroll	9.59%	10.11%	8.82%	10.58%	10.12%	9.53%	8.77%	10.62%	9.63%	11.96%

Schedule of the District's Proportionate Share of the Net Pension Asset or Liability

Last ten fiscal years

Employees' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.0061094%	0.0059186%	0.0064592%	0.0058463%	0.0066722%	0.0063827%	0.0060026%	0.0066841%	0.0073945%	0.0071332%
District's proportionate share of the net pension liability (asset)	$ 344,675	$ 1,014,790	$ 991,372	$ 1,385,115	$ (477,914)	$ 6,644	$ 1,690,182	$ 425,303	$ 215,726	$ 694,805
District's covered-employee payroll	2,378,195	2,187,938	1,978,514	2,191,074	2,050,154	1,990,705	2,113,497	2,054,725	2,110,888	2,079,690
Share as a percentage of covered-employee payroll	14.49%	46.38%	50.11%	63.22%	(23.31%)	0.33%	79.97%	20.70%	10.22%	33.41%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	96.30%	96.30%	98.24%	94.70%

Teachers' Retirement System

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.037351%	0.038838%	0.040712%	0.041300%	0.042910%	0.043130%	0.043558%	0.043255%	0.043285%	0.043506%
District's proportionate share of the net pension liability (asset)	$ (2,211,602)	$ (1,158,770)	$ 465,580	$ 792,512	$ (7,435,961)	$ 1,191,799	$ (1,131,650)	$ (782,161)	$ (329,005)	$ 465,968
District's covered-employee payroll	7,631,055	7,333,966	8,203,586	7,316,490	7,082,612	7,283,271	7,396,327	7,270,605	7,172,084	6,713,416
Share as a percentage of covered-employee payroll	(28.98%)	(15.80%)	5.68%	10.83%	(104.99%)	16.36%	(15.30%)	(10.76%)	(4.59%)	6.94%
Plan fiduciary net position as a percentage of the total pension liability	103.99%	102.10%	99.20%	98.60%	113.25%	97.76%	102.17%	101.50%	100.66%	99.01%

The amounts presented for each fiscal year were determined as of the plan’s measurement date: March 31 of the fiscal year for ERS, and June 30 of the prior fiscal year for TRS.

Supplementary Information

Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit — General Fund

For the year ended June 30, 2026

	Amount
CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET	
Adopted budget	$ 24,000,000
Prior year's encumbrances	410,755
Original budget	**24,410,755**
Budget revisions — voter-approved bus purchase ($327,969) and other	327,974
Final budget	**$ 24,738,729**
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION	
Subsequent year's voter-approved budget	24,240,000
Maximum allowed (4%)	969,600
Unrestricted fund balance (assigned 770,317; unassigned 969,600)	1,739,917
Less appropriated fund balance and encumbrances	(770,317)
General Fund fund balance subject to Section 1318	**$ 969,600**
Percentage of subsequent year budget	4.00%

Schedule of Project Expenditures — Capital Projects Fund

For the year ended June 30, 2026

Project	Authorization	Prior years	Current year	Total	Unexpended
2024 Capital improvement project	$ 10,140,000	$ 377,546	$ 1,608,453	$ 1,985,999	$ 8,154,001
Total	**$ 10,140,000**	**$ 377,546**	**$ 1,608,453**	**$ 1,985,999**	**$ 8,154,001**

Net Investment in Capital Assets

June 30, 2026

	Amount
Capital assets, net of accumulated depreciation	$ 29,327,242
Deduct: serial bonds, including energy performance contract financing	(9,968,727)
Deduct: unamortized premium on serial bonds	(819,753)
Add: unamortized deferred loss on 2017 refunding bonds	4,196
Deduct: bond anticipation note, including premium	(8,780,028)
Add: unspent bond anticipation note proceeds (Capital Projects Fund cash)	8,530,078
Net investment in capital assets	**$ 18,293,008**

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

Independent Auditors' Report

To the Board of Education

Fort Plain Central School District

Fort Plain, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Fort Plain Central School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Norwich, New York

October 26, 2026

Independent Auditors' Report

To the Board of Education

Extraclassroom Activity Funds of

Fort Plain Central School District

Fort Plain, New York

Opinion

We have audited the financial statements of the Extraclassroom Activity Funds of Fort Plain Central School District, which comprise the statement of assets, liabilities, and fund equity — cash basis as of June 30, 2026, and the related statement of cash receipts and disbursements — cash basis for the year then ended, and the related note to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and fund equity of the Extraclassroom Activity Funds of Fort Plain Central School District as of June 30, 2026, and its cash receipts and disbursements for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Extraclassroom Activity Funds of Fort Plain Central 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 opinion.

Emphasis of Matter — Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Extraclassroom Activity Funds' 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.

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.

Norwich, New York

October 26, 2026

Statement of Assets, Liabilities, and Fund Equity — Cash Basis

June 30, 2026

	Amount
Assets	
Cash and cash equivalents	$ 98,392.07
Total assets	**$ 98,392.07**
Liabilities and fund equity	
Fund equity	98,392.07
Total liabilities and fund equity	**$ 98,392.07**

Statement of Cash Receipts and Disbursements — Cash Basis

For the year ended June 30, 2026

Activity	Balance July 1, 2025	Receipts	Disbursements	Transfers	Balance June 30, 2026
Class of 2025	$ 2,587.35	—	—	$ (2,587.35)	—
Class of 2026	12,995.32	17,591.50	31,919.50	2,587.35	1,254.67
Class of 2027	26,073.74	19,446.00	16,423.47	—	29,096.27
Class of 2028	7,927.02	10,154.93	3,389.01	—	14,692.94
Class of 2029	4,327.58	4,220.00	3,715.75	—	4,831.83
Class of 2030	1,292.21	2,240.20	1,225.20	—	2,307.21
Class of 2031	—	2,265.00	904.00	—	1,361.00
Student Council	3,328.07	8,133.09	8,555.16	69.91	2,975.91
School Store	886.13	1,899.50	2,177.67	—	607.96
SADD	1,486.40	7,633.50	4,904.99	—	4,214.91
Drama Club	8,559.80	8,563.82	7,535.15	—	9,588.47
Portrait Club	1,658.48	8,725.97	9,420.88	—	963.57
Library Club	4,318.14	462.80	2,649.83	—	2,131.11
Track and Field	4,654.01	4,732.00	5,265.30	—	4,120.71
Elementary Student Council	4,506.28	3,122.99	1,287.13	—	6,342.14
Elementary Yearbook	463.44	3,185.00	2,751.00	—	897.44
Life Skills Club	4,036.22	1,037.25	1,901.81	—	3,171.66
Topper Closet	2,757.20	750.00	—	—	3,507.20
GSA Club	373.91	879.84	448.16	—	805.59
Girls' Soccer Club	3,371.72	—	1,640.93	—	1,730.79
HH Care Closet	404.97	750.00	—	—	1,154.97
Art Club	41.98	—	—	(41.98)	—
Music Club	964.26	—	—	—	964.26
Tech Club	1,289.76	—	—	—	1,289.76
Soccer Club	714.89	—	614.60	—	100.29
National Honor Society	239.73	—	123.12	—	116.61
SSAC	27.93	—	—	(27.93)	—
Crochet Club	—	263.00	98.20	—	164.80
Total	**$ 99,286.54**	**$ 106,056.39**	**$ 106,950.86**	**—**	**$ 98,392.07**

Note 1 — Accounting policy

The Extraclassroom Activity Funds are independent of the District with respect to their financial transactions and the designation of student management. The accounts are maintained on the cash basis. Receivables, payables, inventories, long-lived assets, and accruals, which may be material, are not recognized.