

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 1, 2026

NEW/RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Barclay Damon LLP, Bond Counsel to the School District, under existing law and assuming compliance with certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the School District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "Tax Matters" herein regarding certain other tax considerations.

The Notes will be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$9,300,000

**AVERILL PARK CENTRAL SCHOOL DISTRICT
RENSSELAER COUNTY, NEW YORK**

**\$9,300,000 Bond Anticipation Notes, 2026
(the "Notes")**

Dated: June 17, 2026

Due: June 17, 2027

The Notes are general obligations of the Averill Park Central School District, Rensselaer County, New York (the "School District" or "District"). All the taxable real property within such School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. The faith and credit of the District are irrevocably pledged for the payment of the Notes and the interest thereon. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes are NOT subject to redemption prior to maturity.**

At the option of the purchaser(s), the Notes will be issued as registered notes in book-entry-only form or registered in the name of the purchaser(s). If such Notes are issued as registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at the offices of the School District. In such case, the Notes will be issued as registered in the name of the purchaser(s) with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

Alternatively, if the Notes are issued as registered notes in book-entry-only form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes purchased. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued in book-entry-only form, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Barclay Damon LLP, Bond Counsel, Albany, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey or as may be agreed upon with the purchaser(s) on or about June 17, 2026.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 4, 2026 until 10:30 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids also may be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

June ____, 2026

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – C" HEREIN.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
RENSSELAER COUNTY, NEW YORK**

2025-2026 BOARD OF EDUCATION

SAMANTHA HICKS
President



JESSICA ZWEIG
Vice President

JESSICA DIFIORE
MICHELLE GAROFOLO
LAUREN JACOBS
MEGHAN MCGARRY
CHRISTOPHER PHILLIPS

* * * * *

DR. JAMES FRANCHINI
Superintendent of Schools

CARRIE NYC-CHEVRIER
Assistant Superintendent for Business

CATINA RILEY
School District Treasurer

LINDA FITZPATRICK
School District Clerk



FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

**BARCLAY
DAMON** ^{LLP}
Bond Counsel

No person has been authorized by the Averill Park Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Averill Park Central School District.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
DESCRIPTION OF THE NOTES	1	SPECIAL PROVISIONS AFFECTING	
No Optional Redemption	1	REMEDIES UPON DEFAULT	28
Purpose of Issue	2	MARKET AND RISK FACTORS	29
NATURE OF THE OBLIGATION	2	Cybersecurity	30
BOOK-ENTRY-ONLY SYSTEM	3	TAX MATTERS	30
Certificated Notes.....	5	LEGAL MATTERS	32
THE SCHOOL DISTRICT	6	LITIGATION	31
General Information	6	RATINGS	32
District Population.....	6	CONTINUING DISCLOSURE	33
Larger Employers.....	6	Historical Continuing Disclosure Compliance	33
Selected Wealth and Income Indicators	7	MUNICIPAL ADVISOR	33
Unemployment Rate Statistics	7	CUSIP IDENTIFICATION NUMBERS	33
Form of School Government.....	8	MISCELLANEOUS	33
Budgetary Procedures and Recent Budget Votes	8		
Investment Policy.....	9	APPENDIX - A	
State Aid.....	9	GENERAL FUND - Balance Sheets	
State Aid Revenues	13	APPENDIX - A1	
District Facilities	13	GENERAL FUND – Revenues, Expenditures and	
Enrollment Trends.....	14	Changes in Fund Balance	
Employees.....	14	APPENDIX - A2	
Status and Financing of Employee Pension Benefits	14	GENERAL FUND – Revenues, Expenditures and	
Other Post-Employment Benefits.....	16	Changes in Fund Balance - Budget and Actual	
Financial Statements	17	APPENDIX - B	
New York State Comptroller Reports of Examination	18	BONDED DEBT SERVICE	
The State Comptroller’s Fiscal Stress Monitoring System....	18	APPENDIX – B1-B2	
Other Information.....	19	CURRENT BONDS OUTSTANDING	
TAX INFORMATION	19	APPENDIX - C	
Taxable Assessed Valuations	19	MATERIAL EVENT NOTICES	
Tax Rates Per \$1,000 (Assessed)	20	APPENDIX - D	
Tax Collection Procedure.....	20	AUDITED FINANCIAL STATEMENTS	
Tax Levy and Tax Collection Record.....	20	Fiscal Year Ended June 30, 2025	
Real Property Tax Revenues	20		
Ten Larger Taxpayers - 2025-26 District Tax Roll	21		
STAR – School Tax Exemption	21		
Additional Tax Information	22		
TAX LEVY LIMITATION LAW	22		
STATUS OF INDEBTEDNESS	23		
Constitutional Requirements	23		
Statutory Procedure	24		
Debt Outstanding End of Fiscal Year.....	24		
Details of Outstanding Indebtedness	25		
Debt Statement Summary.....	25		
Bonded Debt Service.....	26		
Cash Flow Borrowings.....	26		
Other Obligations	26		
Capital Project Plans	26		
Estimated Overlapping Indebtedness	27		
Debt Ratios.....	27		

PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

www.fiscaladvisors.com

OFFICIAL STATEMENT
of the
AVERILL PARK CENTRAL SCHOOL DISTRICT
RENSELAER COUNTY, NEW YORK
Relating To
\$9,300,000 Bond Anticipation Notes, 2026

This Official Statement, which includes the cover page, has been prepared by the Averill Park Central School District, Rensselaer County, New York (the "District" or the "School District", "County", and "State", respectively) in connection with the sale by the School District of \$9,300,000 aggregate principal amount of Bond Anticipation Notes, 2026 (herein referred to as the "Notes").

The factors affecting the School District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the School District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the School District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

DESCRIPTION OF THE NOTES

The Notes are general obligations of the School District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated June 17, 2026 and will mature, **without option of prior redemption**, on June 17, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) registered form registered in the name of the purchaser(s), with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate, and the School District will act as paying agent; or (ii) at the option of the purchaser(s), as book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are NOT subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and bond resolutions duly adopted by the Board of Education on:

(i) February 28, 2022 authorizing the issuance of an amount not to exceed \$28,527,000 serial bonds to finance the reconstruction of various District buildings, facilities and site work, acquisition of original furnishings, equipment, machinery, or apparatus required for the purpose for which such buildings and facilities are to be used and the payment of incidental expenses related thereto, at a maximum estimated cost of \$28,527,000 (the “2021 Capital Project”).

(ii) June 9, 2024 authorizing the issuance of up to \$37,900,000 serial bonds and notes and the expenditure of \$2,000,000 from the Capital Reserve Fund to finance a capital project consisting the reconstruction, renovation and improvements to various District buildings, facilities, athletic fields and sites, acquisition of original furnishings, equipment, machinery or apparatus required for the purposes for which such buildings, facilities, athletic fields and sites are to be used and the payment of incidental costs related thereto, at a maximum estimated cost of \$39,900,000 (the “2024 Capital Project”).

On May 19, 2026, the qualified voters of the District approved a proposition authorizing the District to expand upon the original scope of the 2021 Capital Project (as expanded, the “Expanded 2021 Capital Project”) and 2024 Capital Project (as expanded, the “Expanded 2024 Capital Project”) approved by the voters on October 12, 2021 and September 24, 2024 respectively, to include the construction of a water line from the Algonquin Middle School to the town water line (the “Water Line Project”), with no increase in the aggregate maximum cost of the projects, the amount to be expended from the Capital Reserve Fund, the amount of taxes to be levied and collected or the amount of bonds and notes of the District to be issued.

\$442,500 proceeds of the Notes, together with \$305,000 available funds of the District and \$25,879,500 net proceeds of bonds expected to be issued through the Dormitory Authority of the State of New York on June 16, 2026 will redeem and renew, in part, \$26,627,000 bond anticipation notes maturing June 18, 2026 and issued for the 2021 Capital Project.

\$8,300,000 proceeds of the Notes will provide new money for the 2024 Capital Project.

\$557,500 proceeds of the Notes will provide new money for the Water Line portion of the Expanded 2021 Capital Project, pursuant to the remaining authorized and unissued balance of the 2021 Capital Project authorization.

NATURE OF THE OBLIGATION

Each of the Notes when duly issued and paid for will constitute a contract between the School District and the holder thereof.

Holders of any series of notes or bonds of the School District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the School District and will contain a pledge of the faith and credit of the School District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the School District has power and statutory authorization to levy ad valorem taxes on all real property within the School District subject to such taxation by the School District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the School District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the School District’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX INFORMATION – Tax Levy Limitation Law” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes, if the purchaser so elects. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade

settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that a purchaser of the Notes elect to have the Notes issued in certificated form or if such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form with a single note certificate issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be payable, at the option of the purchaser, at the offices of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York. Paying Agent fees, if any, shall be the responsibility of the purchaser. The Notes will remain not subject to redemption prior to their stated final maturity date.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

THE SCHOOL DISTRICT

General Information

The School District is located in central Rensselaer County within a twenty minute drive of the Cities of Albany and Troy. The School District encompasses an area of approximately 120 square miles. The School District includes portions of the Towns of Berlin, Brunswick, East Greenbush, Nassau, North Greenbush, Poestenkill, Sand Lake, Schodack and Stephentown.

The District, although primarily rural in character, is within easy access of historical and cultural activities in nearby Albany and Troy. Within thirty minutes driving distance of the District are eleven colleges and universities including Rensselaer Polytechnic Institute and the State University of New York at Albany, five hospitals, two major ski areas, the Empire State Plaza, as well as access to transportation facilities to New York City and Boston.

Many residents of the District are employed as business and professional workers in Albany and Troy. In recent years a significant number of engineers and computer related professionals have moved into the School District area because of the proximity of the Rensselaer Technology Park to the School District. Other residents find employment in industry as well as in agriculture.

The District is traversed by Routes 66 and 43. It can be easily reached by Interstate Routes 90 and 87 which provide access to the area surrounding the School District and the County of Rensselaer.

On November 17, 1994, the qualified voters of the Averill Park Central School District and the Brunswick Common School District approved the reorganization of the two School Districts. Averill Park's annexation of Brunswick Common School District became effective July 1, 1995.

Source: District officials.

District Population

The 2024 estimated population of the District is 18,773. (Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates.)

Note: U.S. Census Bureau, 2021-2025 American Community Survey 5-Year Estimates data is not available as of the date of this Continuing Disclosure Statement.

Larger Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Averill Park Central School District	Public Education	530
Hannaford Supermarket	Grocery Store	70
Troy Sand & Gravel	Construction	65
Interstate Laminates	Manufacturer – Counter Tops	45
Dynamic Systems, Inc. (DSI)	Manufacturer	40

Source: District officials.

Selected Wealth and Income Indicators

Per capita income statistics are not available for the School District as such. The smallest areas for which such statistics are available, which includes the School District, are the Towns and the County listed below. The figures set below with respect to such Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns of:						
Berlin	\$ 26,437	\$ 29,423	\$ 42,227	\$ 63,813	\$ 76,429	\$ 115,357
Brunswick	33,414	45,473	53,379	83,631	109,152	126,875
East Greenbush	34,444	49,061	57,660	87,973	113,326	136,599
Nassau	29,149	39,334	47,991	72,069	94,688	109,531
North Greenbush	32,218	40,378	54,410	78,610	96,158	143,838
Poestenkill	28,575	42,466	54,531	82,835	118,212	139,861
Sand Lake	33,300	43,341	59,171	84,512	114,850	142,587
Schodack	32,655	41,879	55,072	88,625	100,789	140,984
Stephentown	27,683	40,389	55,868	80,217	96,196	122,969
County of:						
Rensselaer	27,457	37,011	46,000	68,390	91,355	113,564
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: 2006-2010, 2016-2020 and 2020-2024 American Community Survey 5-Year Estimates data.

Note: U.S. Census Bureau, 2021-2025 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the County of Rensselaer. The information set forth below with respect to the County and the State of New York is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State, are necessarily representative of the District, or vice versa.

	<u>Annual Average</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Rensselaer County	3.7%	6.8%	4.5%	3.2%	3.2%	3.4%	3.5%
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%

	<u>2025-26 Monthly Figures</u>											
	<u>2025</u>						<u>2026</u>					
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Rensselaer County	3.3%	3.7%	3.8%	3.6%	N/A	3.3%	3.4%	4.1%	4.5%	4.1%	3.6%	N/A
New York State	4.1%	4.8%	4.9%	4.7%	N/A	4.4%	4.3%	4.7%	5.2%	4.4%	4.2%	N/A

Note: Unemployment rates for the months of October 2025 and May 2026 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of seven members with overlapping three-year terms. The President and the Vice President are elected by the Board members. The President of the Board is the chief fiscal officer of the School District.

The duties of the administrative officers of the School District are to implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The District’s budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 with a vote of 947 yes to 306 no. The adopted budget included a 2.41% tax levy increase, which was equal to the District tax levy limit of 2.41% for the 2025-25 fiscal year.

The District’s budget for the 2026-27 fiscal year was approved by the qualified voters on May 19, 2026 with a vote of 1,015 yes to 447 no. The adopted budget included a 3.99% tax levy increase, which is within the District tax levy limit of 4.66% for the 2026-27 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) Savings Accounts or Money Market Accounts of designated banks; (2) Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State; (3) Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; (4) Obligations of New York State; (5) Obligations of the United States Government (U.S. Treasury Bills and Notes); and (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2026-27 fiscal year, approximately 42.0% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's Enacted Budgets were adopted after the April 1 deadline in the State's fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late), 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late) and 2026-27 (adopted on May 27, 2026, fifty-six (56) days late). The State's Enacted Budgets were adopted by April 1 or shortly thereafter in the State's fiscal years 2016-17 through 2022-23, inclusive. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal Aid Received by the State

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 building aid ratios, the District expects to receive State building aid of approximately 77.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2021-2022): The State’s 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor’s Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State’s 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State’s 2022-23 Enacted Budget also included \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor’s Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students’ academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State’s 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State’s 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State’s 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State’s 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding was included to establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State’s 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State’s 2024-25 Enacted Budget maintained the “save harmless” provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State’s 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State’s 2025-26 Enacted Budget included approximately \$37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State’s 2025-26 Budget provided an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025–26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged school districts.

Provisions in the State’s 2025-26 Enacted Budget granted the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a “general fund imbalance” has or is expected to occur in fiscal year 2025-26. Specifically, the State’s 2025-26 Enacted Budget provides that a “general fund imbalance” has occurred, and the State Budget Director’s powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State’s 2025-26 Enacted Budget financial plan required by sections 22 and 23

of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. No general fund imbalance occurred in the State’s fiscal year 2025-26.

The State’s 2026-27 Enacted Budget was signed into law on May 27, 2026 – fifty-six (56) days after the April 1 start of the fiscal year. The FY 2026-27 Education, Labor and Family Assistance (ELFA) legislation contains several significant provisions affecting New York public school districts. The major school district–related items include:

- **Foundation Aid increase:** The budget provides an approximately \$779 million increase in Foundation Aid, bringing total Foundation Aid to about \$27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase:** Total School Aid for the 2026-27 school year is projected at approximately \$39.3 billion, an increase of roughly \$1.6 billion over the prior year.
- **Universal Pre-K expansion:** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded:** The budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly \$282 million statewide.
- **Building Aid for renewable energy projects:** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project’s “primary cost allowance” for Building Aid purposes.

Foundation Aid formula adjustments. The budget continues recent efforts to modernize the Foundation Aid formula by relying more heavily on updated poverty and economic-need data instead of older census metrics and free-and-reduced lunch statistics.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York (“CFE”) mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of the CFE decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in Foundation Aid over a four fiscal year phase-in covering 2007 to 2011.

A case related to the CFE was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State’s commitment to fully fund the current Foundation Aid formula to New York’s school districts over three years and ending the State’s prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State

Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is outlined below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.
- FY 2027: \$27.1 billion in Foundation Aid, an increase of \$779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State’s 2025-26 and 2026-27 Budgets also made a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2025-26 and 2026-27 fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$ 60,164,125	\$ 25,206,419	41.90%
2021-2022	60,778,708	25,578,166	42.08
2022-2023	63,206,060	26,888,607	42.54
2023-2024	64,843,797	26,902,652	41.49
2024-2025	65,010,951	25,250,235	38.84
2025-2026 (Budgeted)	66,897,292 ⁽²⁾	27,472,524	41.07
2026-2027 (Budgeted)	70,366,402 ⁽³⁾	29,550,536	42.00

⁽¹⁾ Does not include interfund transfers.

⁽²⁾ Does not include \$1,631,608 use of fund balance and \$975,000 of reserves.

⁽³⁾ Does not include \$1,631,608 use of fund balance and \$975,000 of reserves.

Source: Audited financial statements for the fiscal years ended 2020-21 through 2024-25 and adopted budgets for the 2025-26 and 2026-27 fiscal years. This table is not audited.

Source: District officials.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built</u>
Miller Hill Elementary	K-2	324	1951, '97
Poestenkill Elementary	K-5	324	1951, '66, '97
West Sand Lake Elementary	K-5	402	1935, '40, '51, '66, '97
George Washington School ⁽¹⁾	K-6	216	1966, '71, '97
Algonquin Middle School	6-8	800	1966, '04
Averill Park High School	9-12	943	1958, '66, '71, '05

⁽¹⁾ Currently being leased to Questar III BOCES and therefore not being used by the District at this time.

Source: District officials.

Enrollment Trends

The table below presents the District's historic and projected enrollment.

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	2,663	2026-27	2,455
2022-23	2,613	2027-28	2,455
2023-24	2,605	2028-29	2,455
2024-25	2,565	2029-30	2,455
2025-26	2,520	2030-31	2,455

Source: District officials.

Employees

The District employs a total of 480 full-time and 35 part-time employees, with employees that are represented by various bargaining units outlined below:

<u>Number of Members</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
259	Averill Park Teachers' Association	June 30, 2028
219	Civil Service Employees Association	June 30, 2029
14	Administrators	June 30, 2028
12	Administrative Support Employees Association	June 30, 2030

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement 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 benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment;

and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State’s 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The State’s Enacted 2026-27 Budget made a number of changes to the Tier VI pension program:

- Lowered Retirement Age: The full-benefit retirement age is reduced from 63 to 58 for members with 30 years of service, allowing educators to retire without pension penalties earlier.
- Reduced Contribution Rates: Member pension contribution percentages are adjusted into tiered salary brackets:
 - \$75,000 or less: 3%
 - Over \$75,000 to \$100,000: 4%
 - Over \$100,000 to \$125,000: 5.25%
 - Over \$125,000: 5.75%
- Overtime Cap Increase: For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to \$30,000 plus CPI (up from the previous \$22,500 cap).

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, and budgeted figures for the 2025-26 and 2026-27 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	\$ 1,155,769	\$ 2,180,504
2021-22	1,119,270	2,265,183
2022-23	840,016	2,601,417
2023-24	1,010,620	2,240,820
2024-25	1,190,190	2,426,574
2025-26 (Budgeted)	1,552,783	2,390,081
2026-27 (Budgeted)	1,791,969	2,056,996

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. Other than incentives described within contracts, the District currently does not have early retirement incentive programs for its employees.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2020-21 to 2026-27) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59
2026-27	17.6	8.24*

* Estimated. Final contribution rate expected to be adopted at the July 29, 2026 TRS Retirement Board meeting.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State’s 2019-2020 Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund during the 2019-20 fiscal year.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Questar III BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2023-24 and 2024-25 fiscal years:

Balance beginning at July 1:	<u>2023</u>	<u>2024</u>
<u>Changes for the year:</u>	<u>\$ 124,166,560</u>	<u>\$ 122,891,131</u>
Service cost	3,114,945	2,825,747
Interest on OPEB liability	4,575,435	4,859,418
Effect of plan changes	-	-
Effect of demographic gains or losses	-	(8,039,811)
Effect of assumption changes or inputs	(5,076,800)	(17,658,985)
Benefit payments	<u>(3,889,009)</u>	<u>(4,175,326)</u>
Net Changes	<u>\$ (1,275,429)</u>	<u>\$ (22,188,957)</u>
Balance ending at June 30:	<u>2024</u>	<u>2025</u>
	<u>\$122,891,131</u>	<u>\$100,702,174</u>

Source: Audited financial reports of the District. For additional information see "APPENDIX - D" attached hereto. The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and is attached hereto as "APPENDIX – D". In addition, the State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. Certain summary financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There have been no State Comptroller’s audits of the District published in the past five year, nor are there any that are currently in progress or pending release as of the date of this Official Statement.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in “Significant Fiscal Stress”, in “Moderate Fiscal Stress,” as “Susceptible Fiscal Stress” or “No Designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “No Designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the 2020-21 through 2024-25 fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2025	No Designation	0.0
2024	No Designation	0.0
2023	No Designation	3.3
2022	No Designation	10.0
2021	No Designation	10.0

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the bonds and notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness” this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Assessed Valuations

Source:

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Berlin	\$ 3,843,300	\$ 3,865,149	\$ 3,894,188	\$ 3,890,518	\$ 3,937,519
Brunswick	40,699,793	41,199,861	41,448,319	41,575,986	41,908,176
East Greenbush	7,936,287	8,297,261	8,361,080	8,548,629	12,923,079
Nassau	108,035,597	109,375,418	109,397,503	109,779,804	110,185,503
North Greenbush	39,491,737	39,681,573	40,678,095	41,127,731	42,057,394
Poestenkill	81,424,259	82,740,681	83,881,352	85,012,016	85,657,625
Sand Lake	733,429,827	742,888,420	750,862,796	755,881,701	1,326,809,178
Schodack	23,006,765	23,058,591	23,251,425	23,286,244	23,444,258
Stephentown	36,207,510	36,304,013	36,685,907	36,910,658	36,758,793
Total Assessed Values	\$ 1,074,075,075	\$ 1,087,410,967	\$ 1,098,460,665	\$ 1,106,013,287	\$ 1,683,681,525

State Equalization Rates

Towns of:

Berlin	27.80%	23.00%	20.15%	17.50%	14.50%
Brunswick	23.50%	20.80%	19.25%	18.00%	16.10%
East Greenbush	96.66%	88.25%	80.38%	75.38%	100.00%
Nassau	71.50%	62.00%	56.50%	53.50%	49.30%
North Greenbush	21.25%	21.75%	19.25%	16.96%	16.00%
Poestenkill	22.50%	19.44%	17.72%	16.61%	15.60%
Sand Lake	91.00%	82.00%	73.65%	67.50%	100.00%
Schodack	89.75%	89.00%	74.75%	65.00%	61.41%
Stephentown	100.00%	93.00%	86.00%	77.50%	69.50%
Total Taxable Full Valuation	\$ 1,761,862,379	\$ 1,979,666,601	\$ 2,216,618,655	\$ 2,427,332,899	\$ 2,753,699,811

District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Berlin	\$ 66.91	\$ 73.96	\$ 77.80	\$ 85.07	\$ 92.72
Brunswick	79.16	81.78	81.43	82.70	83.38
East Greenbush	19.24	19.28	19.50	19.75	13.44
Nassau	26.02	27.44	27.74	27.83	27.27
North Greenbush	87.54	78.21	81.43	87.78	83.84
Poestenkill	82.68	87.50	88.47	89.63	86.16
Sand Lake	20.44	20.74	21.28	22.05	13.44
Schodack	20.73	21.53	20.97	22.90	21.83
Stephentown	18.60	18.29	18.23	19.21	19.34

Source: District officials.

Tax Collection Procedure

Taxes are due and payable without penalty during the period from September 1st through September 31st. Taxes paid from October 1st through October 31st are subject to a 2% penalty. After October 31st, uncollected taxes are turned over to the County Treasurer for collection with a penalty and additional interest added. The County reimburses the District in full before the end of the District's fiscal year.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 32,790,662	\$ 33,756,381	\$ 34,765,729	\$ 36,150,533	\$ 37,022,118
Amount Uncollected ⁽¹⁾	1,268,463	1,439,991	1,904,488	1,402,939	1,593,116
% Uncollected	3.87%	4.27%	5.48%	3.88%	4.30%

⁽¹⁾ The District is made whole on uncollected taxes. See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years and budgeted figures for the 2025-26 and 2026-27 fiscal years comprised of Real Property Taxes and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2020-2021	\$ 60,164,080	\$ 32,509,305	54.03%
2021-2022	60,778,708	32,833,431	54.02
2022-2023	63,206,060	33,796,645	53.47
2023-2024	64,843,797	34,822,380	53.70
2024-2025	65,010,951	36,204,570	55.69
2025-2026 (Budgeted)	66,897,292 ⁽²⁾	37,022,118	55.34
2026-2027 (Budgeted)	70,366,402 ⁽³⁾	38,499,300	54.71

⁽¹⁾ Does not include interfund transfers.

⁽²⁾ Does not include \$1,631,608 use of fund balance and \$975,000 of reserves.

⁽³⁾ Does not include \$1,631,608 use of fund balance and \$975,000 of reserves.

Source: Audited financial statements for the fiscal years ended 2020-21 through 2024-25 and adopted budgets for the 2025-26 and 2026-27 fiscal years. This table is not audited.

Source: District officials.

Ten Larger Taxpayers – 2025 Assessment Roll for 2025-26 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid	Utility	\$ 13,700,590
New York State Electric and Gas	Utility	8,815,099
Knowlson CT LLC	Commercial	3,491,500
Troy Sand & Gravel Co., Inc.	Commercial	3,218,600
Millers Super Market Inc	Supermarket	3,170,000
Homerroom Lofts LLC	Apartments	2,500,000
MK-Menlo Property Owner LLC	Commercial	2,300,000
P&G Mall LLC	Shopping Center	1,800,000
Verizon New York INC	Utility	1,283,275
Troy Country Club	Commercial	945,200

The ten larger taxpayers listed above have a total taxable assessed valuation of \$41,224,264 which represents 2.4% of the tax base of the District.

As of the date of this Official Statement, there are no pending or outstanding tax certioraris that, if decided adversely to the District, are expected to have a material adverse impact on the District's finances.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$110,750 or less for the 2026-27 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$88,500 for the 2026-27 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 "full value" exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

The table below lists the basic and enhanced exemption amounts for the 2026-27 District tax roll for the municipalities applicable to the District:

<u>Town of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Berlin	\$ 13,410	\$ 5,220	4/10/26
Brunswick	14,250	4,830	4/10/26
East Greenbush	88,500	30,000	4/10/26
Nassau	43,630	14,790	4/10/26
North Greenbush	14,160	4,800	4/10/26
Poestenkill	13,810	4,680	4/10/26
Sand Lake	89,620	31,230	4/10/26
Schodack	54,350	18,420	4/10/26
Stephentown	88,500	30,000	4/10/26

\$2,251,647 of the District’s \$36,135,115 school tax levy for 2024-25 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

\$2,085,531 of the District’s \$36,999,321 school tax levy for 2025-26 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2026.

The District anticipates a similar amount to be exempted by the STAR Program for 2026-27.

Additional Tax Information

Real property located in the School District is assessed by the Towns.

Senior citizens', Veterans, Volunteer Firefighters and Ambulance Workers exemptions are offered to those who qualify.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the School District is approximately \$1,490 in School District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, it has since been made permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes.

See "State Aid" for a discussion of the *New Yorkers for Students' Educational Rights v. State of New York* case which included a challenge to the supermajority requirements regarding school district property tax increases.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness, however, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMITATION LAW" herein).

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District complied with this estoppel procedure in connection with the bond resolution under which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

In general, statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, in anticipation of the collection of a specific type of revenue, and budget or deficiency notes when necessary.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 15,272,725	\$ 12,789,966	\$ 10,192,441	\$ 8,802,022	\$ 8,119,019
Bond Anticipation Notes	0	6,550,000	13,000,000	18,100,245	26,627,000
Lease Liabilities ⁽¹⁾	<u>458,206</u>	<u>428,905</u>	<u>417,567</u>	<u>394,738</u>	<u>546,457</u>
Total Debt Outstanding	<u>\$ 15,730,931</u>	<u>\$ 19,768,871</u>	<u>\$ 23,610,008</u>	<u>\$ 27,297,005</u>	<u>\$ 35,292,476</u>

⁽¹⁾ Such indebtedness is subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such obligations are, however, counted against the debt limit of the District. (See "Other Obligations" herein.)

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 1, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2032	\$ 8,307,993
<u>Bond Anticipation Notes:</u>		
2021 Capital Project	June 18, 2026	<u>26,627,000</u> ⁽¹⁾
	Total Indebtedness	<u>\$ 34,934,993</u>

⁽¹⁾ To be redeemed and renewed, in part, at maturity with \$442,500 proceeds of the Notes together with \$305,000 available funds of the District and \$25,879,500 net proceeds of bonds expected to be issued through the Dormitory Authority of the State of New York on June 16, 2026.

Debt Statement Summary

Summary of Debt Limit, Net-Indebtedness and Net Debt-Contracting Margin as of June 1, 2026:

Full Valuation of Taxable Real Property	\$ 2,753,699,811
Debt Limit 10% thereof.....	275,369,981

Inclusions:

Bonds.....	\$ 8,307,993	
Bond Anticipation Notes (BANs):	<u>26,627,000</u> ⁽¹⁾	
Total Inclusions prior to issuance of the Notes	<u>34,934,993</u>	
Less: BANs being redeemed from appropriations	(305,000)	
Add: New money proceeds of the Notes	<u>8,857,500</u>	
Total Net Inclusions after issuance of the Notes		\$ 43,487,493

Exclusions:

State Building Aid ⁽²⁾	\$ 0	
Total Exclusions.....		<u>\$ 0</u>

Total Net Indebtedness <u>after issuance of the Notes</u>	<u>\$ 43,487,493</u>
Net Debt-Contracting Margin	<u>\$ 231,882,488</u>
The percent of debt contracting power exhausted is	15.79%

⁽¹⁾ Includes \$26,184,500 bond anticipation notes that are to be redeemed at maturity with \$25,879,500 net proceeds of bonds expected to be issued through DASNY on June 16, 2026 together with \$305,000 available funds of the District.

⁽²⁾ Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2026-27 Building Aid Ratios, the School District anticipates State Building aid of 77.9% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Note: The above debt statement summary does not include any outstanding lease or installment purchase obligations, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations are, however, counted against the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations. (See "Other Obligations" herein.)

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The School District has not borrowed for cash flow purposes through the issuance of revenue anticipation notes or tax anticipation notes in recent years and has no plans to issue revenue anticipation notes or tax anticipation notes in the foreseeable future.

Other Obligations

The District has entered into various lease obligations to finance furniture and equipment. The total payments remaining for such obligations are as follows.

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 214,241	\$ 23,905
2027	176,760	13,966
2028	97,278	6,088
2029	41,422	1,728
2030	<u>16,756</u>	<u>184</u>
Minimum Lease Payments	<u>\$ 546,457</u>	<u>\$ 45,871</u>

Source: Audited financial statements of the District. Table itself is not audited.

The indebtedness noted in this section is subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

Capital Project Plans

On October 12, 2021, the qualified voters of the District approved a proposition authorizing a capital improvement project consisting of the reconstruction of various District buildings, facilities and site work, and acquisition of original furnishings, equipment, and machinery at a maximum estimated cost of \$28,527,000 (the “2021 Capital Project”). To date, the District has issued \$27,969,500 bond anticipation notes pursuant to this authorization, of which \$26,627,000 bond anticipation notes are currently outstanding and will mature on June 18, 2026 (the “2025 Notes”). \$442,500 proceeds of the Notes together with \$305,000 available funds of the District and \$25,879,500 net proceeds of bonds expected to be issued through the Dormitory Authority of the State of New York on June 16, 2026 will redeem and renew, in part, the 2025 Notes.

On September 24, 2024, the qualified voters of the District approved a proposition authorizing a capital improvement project consisting of reconstruction, renovation and improvements to various School District buildings, facilities, athletic fields and sites at a maximum aggregate cost of not to exceed \$39,900,000 (the “2024 Capital Project”) to be financed with the issuance of not to exceed \$37,900,000 of bonds and notes and the expenditure of \$2,000,000 from the District’s Capital Reserve Fund. \$8,300,000 proceeds of the Notes will provide new money for the 2024 Capital Project.

On May 19, 2026, the qualified voters of the District approved a proposition authorizing the District to expand upon the original scope of the 2021 Capital Project (as expanded, the “Expanded 2021 Capital Project”) and 2024 Capital Project (as expanded, the “Expanded 2024 Capital Project”) to include the construction of a water line from the Algonquin Middle School to the town water line (the “Water Line Project”), with no increase in the aggregate maximum cost of the projects, the amount to be expended from the Capital Reserve Fund, the amount of taxes to be levied and collected or the amount of bonds and notes of the District to be issued.

\$557,500 proceeds of the Notes will provide new money for the Water Line portion of the Expanded 2021 Capital Project, pursuant to the remaining authorized and unissued balance of the 2021 Capital Project authorization.

The District has no other capital projects authorized at this time.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:				
Rensselaer	12/31/2024	\$ 188,804,190	9.31%	\$ 17,577,670
Town of:				
Berlin	12/31/2024	1,065,925	9.82%	104,674
Brunswick	12/31/2024	430,000	15.21%	65,403
East Greenbush	12/31/2024	20,048,750	0.54%	108,263
Nassau	12/31/2024	2,953,576	39.30%	1,160,755
North Greenbush	12/31/2024	7,437,937	14.86%	1,105,277
Poestenkill	12/31/2024	-	92.12%	-
Sand lake	12/31/2024	3,070,000	94.74%	2,908,518
Schodack	12/31/2024	5,770,355	1.99%	114,830
Stephentown	12/31/2024	-	11.22%	-
Total:				<u>\$ 23,145,391</u>

⁽¹⁾ Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

Note: Gross indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding excludable debt for municipalities, such as water debt, sewer debt and budgeted appropriations, to the extent such indebtedness may be applicable to the respective municipality, is not provided in the local government data the above table is sourced from.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 1, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 43,487,493	\$ 2,316.49	1.58%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	66,632,884	3,549.40	2.42%

^(a) The 2024 estimated population of the District is 18,773. (See "THE SCHOOL DISTRICT – Population" herein.)

^(b) The District's full value of taxable real estate for 2025-26 is \$2,753,699,811. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

^(c) See "Debt Statement Summary" herein.

^(d) Estimated net overlapping indebtedness is \$23,145,391. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Bond when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on District indebtedness is currently past due. To the best knowledge of current District officers, the District has not defaulted on the payment of the principal of and interest on any indebtedness in the past five years.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In some years, the District has received delayed payments of State aid which resulted from the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also “THE DISTRICT - State Aid”).

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District’s financial condition. These factors may have an effect on the market price of the Notes.

The District’s credit rating could be affected by circumstances beyond the District’s control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. Accordingly, a decline in the District’s credit rating could adversely affect the market value of the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the District and hence upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

TAX MATTERS

In the opinion of Barclay Damon LLP, Bond Counsel to the District, under existing law, and assuming compliance with the certain covenants described herein and the accuracy and completeness of certain representations, certifications of fact and statements of reasonable expectations made by the District, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is further of the opinion that interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed under the Code, however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the corporate alternative minimum tax under the Code. Bond Counsel also is of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences with respect to the Notes. The opinion of Bond Counsel will speak as of its date of issue and will not contain or provide any opinion or assurance regarding the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, rulings, judicial decisions, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, the exclusion of interest on the Notes from gross income for federal income tax purposes.

General

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and the rebate of certain earnings in respect of such investments to the United States. The District and others have made certain representations, certifications of fact, and statements of reasonable expectations and the District has given certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy and completeness of such representations, certifications of fact, and statements of reasonable expectations.

In the event of the inaccuracy or incompleteness of any such representations, certifications or statements of reasonable expectation, or of the failure by the District to comply with any such covenant, the interest on the Notes could become includable in gross income for federal income tax purposes retroactive to the date of original execution and delivery of the Notes, regardless of the date on which the event causing such inclusion occurs. Further, although the interest on the Notes is excluded from gross income for federal income tax purposes, receipt or accrual of the interest may otherwise affect the tax liability of a Beneficial Owner of the Notes. The tax effect of receipt or accrual of the interest will depend upon the tax status of a Beneficial Owner of the Notes Bond and such Beneficial Owner's other items of income, deduction or credit. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition, or the accrual or receipt of interest on, the Notes.

Certain Collateral Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of the Notes may have collateral federal income tax consequences for certain taxpayers, including financial corporations, insurance companies, Subchapter S corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their own tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Backup Withholding and Information Reporting

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. Interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the Notes and would be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the Notes, if other than the registered owner).

Legislation

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Notes. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of Beneficial Owners of the Notes may occur. Prospective purchasers of the Notes should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authority and represents the judgment of Bond Counsel as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the IRS or the courts.

The Notes will be designated or deemed designated by the District as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Barclay Damon LLP, Bond Counsel, Albany, New York to the effect that the Notes are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Notes and the interest thereon without limitation as to rate or amount, that interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, however, interest on the Notes that is included in the “adjusted financial statement income” of certain corporations is not excluded from the alternative minimum tax under Section 55 of the Code, and that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Such opinion also will state that: (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may thereafter come to their attention or any changes in law that may occur thereafter.

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District does not believe, however, that such suits, individually or in the aggregate, if decided adversely to the District, are likely to have a material adverse effect on the financial condition of the School District.

The District is a defendant in one Child Victim’s Act (“CVA”) claim. At this time, the case, if decided adversely to the District, is not anticipated to have a material adverse impact on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of bonds, notes, or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of bonds, notes, or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of bonds, notes, or contesting the corporate existence or boundaries of the District.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District’s Continuing Disclosure Undertakings. (See “APPENDIX - C” herein.).

Moody’s Ratings (“Moody’s”) has assigned their short-term rating of “MIG 1” to the District’s outstanding \$26,627,000 Bond Anticipation Notes, 2025 (CUSIP# 053591 JM6) dated June 18, 2025 and maturing on June 18, 2026. This rating reflects only the view of Moody’s and any desired explanation of the significance of such rating should be obtained from Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038.

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”) has assigned its rating of “AA-” with a Stable outlook to the District’s outstanding general obligation bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Standard & Poor’s Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds and the Notes.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, a description of which is attached hereto as “APPENDIX – C, MATERIAL EVENT NOTICES”.

Historical Continuing Disclosure Compliance

Other than as noted below, the School District is in compliance, in all material respects, with all prior undertakings pursuant to the Rule for the past five years.

- The District failed to file a material event notice to the Electronic Municipal Market Access (“EMMA”) website relating to the incurrence of a financial obligation in connection with the issuance of \$6,550,000 bond anticipation notes on June 22, 2022 within 10 business days as required. The District filed notice of its failure to file on August 1, 2022.
- The District failed to file a material event notice to EMMA relating to the incurrence of a financial obligation in connection with the issuance of \$809,373 school district serial bonds on August 18, 2022 within 10 business days as required. The District filed notice of its failure to file on February 6, 2023.
- The District failed to file a material event notice to EMMA relating to the incurrence of a financial obligation in connection with the issuance of \$986,080 school district serial bonds on August 20, 2024 within 10 business days as required. The District filed notice of its failure to file on October 7, 2024.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the “Municipal Advisor”) is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in book-entry only form, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are “forward-looking statements”, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the Averill Park Central School District’s management’s beliefs as well as assumptions made by, and information currently available to, the Averill Park Central School District’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that

could cause future results to differ include legislative and regulatory changes; changes in the economy, and other factors discussed in this and other documents that the Averill Park Central School District's files with the repositories. When used in Averill Park Central School District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Barclay Damon LLP, Albany, New York, Bond Counsel to the School District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the School District for use in connection with the offer and sale of the Notes, including, but not limited to, this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the School District, as to which no representation can be made.

The Official Statement is submitted only in connection with the sale of the Notes by the Averill Park Central School District and may not be reproduced or used in whole or in part for any other purpose.

The School District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The School District contact information is as follows: Carrie Nyc-Chevrier, Assistant Superintendent for Business, 146 Gettle Road, Station 1 Averill Park, New York 12018, telephone (518) 674-3802, Email: nyc-chevrierc@apcsd.org

The District's Bond Counsel information is as follows: M. Cornelia Cahill, Esq., Barclay Damon LLP, 80 State Street Albany, New York 12207, Phone: (518) 429-4296, Email: mcahill@barclaydamon.com.

Additional information and copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

AVERILL PARK CENTRAL SCHOOL DISTRICT

Dated: June __, 2026

**PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

<u>Fiscal Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 3,227,752	\$ 3,320,125	\$ 2,683,007	\$ 3,116,124	\$ 2,313,551
Restricted Cash	7,087,386	6,201,817	7,255,180	1,055,165	103,235
Investments	-	-	1,600,000	2,089,017	5,026,674
Restricted	-	-	-	7,177,782	8,371,060
State and Federal Aid Receivable	922,302	812,509	-	-	-
Due from Other Funds	1,535,250	2,629,436	772,822	898,833	594,962
Receivables	431,202	166,681	4,105,137	3,198,960	2,860,166
Due from Other Governments	705,483	637,646	-	-	-
Lease Receivable	-	1,467,818	-	-	-
Prepaid Items	-	-	-	9,165	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 13,909,375</u>	<u>\$ 15,236,032</u>	<u>\$ 16,416,146</u>	<u>\$ 17,545,046</u>	<u>\$ 19,269,648</u>
 <u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 976,851	\$ 824,232	\$ 983,835	\$ 864,620	\$ 1,136,114
Due to Other Funds	-	241,606	73,290	16,385	964,260
Due to Other Governments	238,735	238,735	239,346	-	-
Due to Teachers' Retirement Systems	2,265,184	2,462,253	2,601,417	2,479,575	2,595,042
Due to Employees' Retirement Systems	434,672	304,774	327,461	399,237	449,139
Other Liabilities	124,720	108,429	116,046	147,596	148,771
Deferred Inflows - Leases	-	1,459,052	1,283,428	1,090,218	903,027
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<u>4,040,162</u>	<u>5,639,081</u>	<u>5,624,823</u>	<u>4,997,631</u>	<u>6,196,353</u>
 <u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ 9,165	\$ -
Restricted	6,962,666	6,038,460	7,139,134	8,085,351	8,325,524
Assigned	1,093,334	1,003,558	1,055,572	1,804,117	1,967,615
Unassigned	1,813,213	2,554,933	2,596,617	2,648,782	2,780,156
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUND EQUITY	<u>9,869,213</u>	<u>9,596,951</u>	<u>10,791,323</u>	<u>12,547,415</u>	<u>13,073,295</u>
 TOTAL LIABILITIES and FUND EQUITY	 <u>\$ 13,909,375</u>	 <u>\$ 15,236,032</u>	 <u>\$ 16,416,146</u>	 <u>\$ 17,545,046</u>	 <u>\$ 19,269,648</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

<u>Fiscal Years Ending June 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES					
Real Property Taxes & Tax Items	\$ 32,509,305	\$ 32,833,431	\$ 33,796,645	\$ 34,822,380	\$ 36,204,570
Charges for Services	1,127,001	1,264,997	1,207,472	1,400,856	1,430,327
Use of Money & Property	312,992	328,403	445,447	795,786	1,203,512
Sale of Property and Compensation for Loss	4,214	16,623	118,973	60,660	153,002
Miscellaneous	670,149	479,435	423,426	512,437	346,324
Revenues from State Sources	25,206,419	25,578,166	26,888,607	26,902,652	25,250,235
Revenues from Federal Sources	334,000	277,653	325,490	349,026	422,981
Total Revenues	<u>\$ 60,164,080</u>	<u>\$ 60,778,708</u>	<u>\$ 63,206,060</u>	<u>\$ 64,843,797</u>	<u>\$ 65,010,951</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>1,129</u>	<u>44</u>	<u>65,000</u>
Total Revenues and Other Sources	<u>60,164,080</u>	<u>60,778,708</u>	<u>63,207,189</u>	<u>64,843,841</u>	<u>65,075,951</u>
EXPENDITURES					
General Support	\$ 5,747,734	\$ 6,124,742	\$ 6,339,102	\$ 6,825,755	\$ 6,752,541
Instruction	30,850,355	30,894,742	31,059,220	31,351,578	32,521,110
Pupil Transportation	3,018,168	3,067,531	3,294,936	3,378,696	3,569,187
Employee Benefits	15,802,107	15,429,045	16,127,951	17,045,752	18,230,221
Debt Service	3,946,688	4,133,918	5,007,352	4,319,670	3,272,566
Total Expenditures	<u>\$ 59,365,052</u>	<u>\$ 59,649,978</u>	<u>\$ 61,828,561</u>	<u>\$ 62,921,451</u>	<u>\$ 64,345,625</u>
Other Uses:					
Interfund Transfers	<u>154,872</u>	<u>-</u>	<u>184,256</u>	<u>166,298</u>	<u>204,446</u>
Total Expenditures and Other Uses	<u>59,519,924</u>	<u>59,649,978</u>	<u>62,012,817</u>	<u>63,087,749</u>	<u>64,550,071</u>
Excess (Deficit) Revenues Over Expenditures	<u>644,156</u>	<u>1,128,730</u>	<u>1,194,372</u>	<u>1,756,092</u>	<u>525,880</u>
FUND BALANCE					
Fund Balance - Beginning of Year	9,225,057	9,869,213	9,596,951	10,791,323	12,547,415
Prior Period Adjustments (net)	<u>-</u>	<u>(1,400,992)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 9,869,213</u>	<u>\$ 9,596,951</u>	<u>\$ 10,791,323</u>	<u>\$ 12,547,415</u>	<u>\$ 13,073,295</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2025			2026	2027
	Original Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 36,200,533	\$ 36,200,533	\$ 36,204,570	\$ 37,022,118	\$ 38,499,300
Charges for Services	1,154,725	1,154,725	1,430,327	-	-
Use of Money & Property	416,270	416,270	1,203,512	-	-
Sale of Property and Compensation for Loss	21,000	132,735	153,002	-	-
Miscellaneous	215,000	283,560	346,324	2,402,650	2,316,566
Revenues from State Sources	25,637,729	25,657,729	25,250,235	27,472,524	29,550,536
Revenues from Federal Sources	295,000	295,000	422,981	-	-
Total Revenues	<u>\$ 63,940,257</u>	<u>\$ 64,140,552</u>	<u>\$ 65,010,951</u>	<u>\$ 66,897,292</u>	<u>\$ 70,366,402</u>
Other Sources:					
Interfund Transfers	\$ 141,158	\$ 190,000	\$ 65,000	\$ -	\$ 300,000
Appropriated Reserves	898,842	1,187,840	-	975,000	975,000
Appropriated Fund Balance	1,631,608	1,631,608	-	1,631,608	1,631,608
Prior Year Encumbrances	172,509	172,509	-	-	-
Total Revenues and Other Sources	<u>66,784,374</u>	<u>67,322,509</u>	<u>65,075,951</u>	<u>69,503,900</u>	<u>73,273,010</u>
EXPENDITURES					
General Support	\$ 7,186,856	\$ 7,172,185	\$ 6,752,541	\$ 7,374,409	\$ 7,616,719
Instruction	34,058,910	34,006,591	32,521,110	34,464,831	34,878,369
Pupil Transportation	3,688,299	3,838,755	3,569,187	3,937,651	4,270,009
Employee Benefits	18,689,798	18,813,452	18,230,221	20,218,160	21,323,786
Debt Service	2,950,511	3,281,526	3,272,566	3,328,849	4,984,127
Total Expenditures	<u>\$ 66,574,374</u>	<u>\$ 67,112,509</u>	<u>\$ 64,345,625</u>	<u>\$ 69,323,900</u>	<u>\$ 73,073,010</u>
Other Uses:					
Interfund Transfers	210,000	210,000	204,446	180,000	200,000
Total Expenditures and Other Uses	<u>66,784,374</u>	<u>67,322,509</u>	<u>64,550,071</u>	<u>69,503,900</u>	<u>73,273,010</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>525,880</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	12,547,415	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,073,295</u>	<u>\$ -</u>	<u>\$ -</u>

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 1,662,125	\$ 363,209	\$ 2,025,334
2027	1,757,993	335,053	2,093,046
2028	1,685,000	248,081	1,933,081
2029	1,580,000	176,565	1,756,565
2030	1,395,000	109,243	1,504,243
2031	975,000	47,916	1,022,916
2032	115,000	5,750	120,750
TOTALS	\$ 9,170,118	\$ 1,285,816	\$ 10,455,934

Note: The table above does not include any energy performance contract, capital lease or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2017 DASNY Serial Bonds			2020 Statutory Installment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2026	\$ 800,000	\$ 265,000	\$ 1,065,000	\$ 139,150	\$ 1,656
2027	840,000	225,000	1,065,000	-	-	-
2028	885,000	183,000	1,068,000	-	-	-
2029	925,000	138,750	1,063,750	-	-	-
2030	975,000	92,500	1,067,500	-	-	-
2031	760,000	43,750	803,750	-	-	-
2032	115,000	5,750	120,750	-	-	-
TOTALS	\$ 5,300,000	\$ 953,750	\$ 6,253,750	\$ 139,150	\$ 1,656	\$ 140,806

Fiscal Year Ending June 30th	2021 Statutory Installment Bonds			2022 Statutory Installment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2026	\$ 166,895	\$ 4,172	\$ 171,067	\$ 165,000	\$ 13,791
2027	166,894	2,086	168,980	170,000	8,450	178,450
2028				175,000	2,844	177,844
TOTALS	\$ 333,789	\$ 6,259	\$ 340,048	510,000	25,084	535,084

Fiscal Year Ending June 30th	2023 Statutory Installment Bonds			2024 Statutory Installment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	2026	\$ 220,000	\$ 30,250	\$ 250,250	\$ 171,080	\$ 48,340
2027	230,000	22,938	252,938	190,000	26,500	216,500
2028	235,000	14,500	249,500	200,000	20,150	220,150
2029	245,000	4,900	249,900	210,000	12,765	222,765
				215,000	4,440	219,440
TOTALS	\$ 930,000	\$ 72,588	\$ 1,002,588	\$ 986,080	\$ 112,194	\$ 1,098,274

Fiscal Year Ending June 30th	2025 Statutory Installment Bonds		
	Principal	Interest	Total
	2026	\$ -	\$ -
2027	161,099	50,080	211,179
2028	190,000	27,588	217,588
2029	200,000	20,150	220,150
2030	205,000	12,303	217,303
2031	215,000	4,166	219,166
TOTALS	\$ 971,099	\$ 114,286	\$ 1,085,385

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2026A*		
	DASNY Serial Bonds		
	Principal	Interest	Total
2026	\$ -	\$ -	\$ -
2027	945,000	1,539,990	2,484,990
2028	1,265,000	1,145,000	2,410,000
2029	1,325,000	1,081,750	2,406,750
2030	1,390,000	1,015,500	2,405,500
2031	1,460,000	946,000	2,406,000
2032	1,540,000	873,000	2,413,000
2033	1,610,000	796,000	2,406,000
2034	1,690,000	715,500	2,405,500
2035	1,775,000	631,000	2,406,000
2036	1,865,000	542,250	2,407,250
2037	1,955,000	449,000	2,404,000
2038	2,055,000	351,250	2,406,250
2039	1,980,000	248,500	2,228,500
2040	1,965,000	149,500	2,114,500
2041	1,025,000	51,250	1,076,250
TOTALS	\$ 23,845,000	\$ 10,535,490	\$ 34,380,490

* Serial bonds priced on May 14, 2026, expected to be issued through the Dormitory Authority of the State of New York on June 16, 2026.

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the securities, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the Notes
- (g) modifications to rights of security holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the securities
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the School District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the School District determines that any such other event is material with respect to the Notes; but the School District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The School District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the School District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the School District’s obligations under its material event notices undertaking and any failure by the School District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The School District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the School District; provided that the School District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
RENSSELAER COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2025

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2025**

**AVERILL PARK CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS**

	Pages
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 13
Basic Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Equity - Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Equity of the Governmental Funds to the Statement of Activities	18
Notes to the Basic Financial Statements:	19 - 60
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Equity - Budget and Actual - General Fund	61-62
Schedules of Changes in Total OPEB Liability	63
Schedules of Proportionate Share of the Net Pension Liability (Asset)	64
Schedules of District Contributions	65
Supplementary Information:	
Schedule of Changes from Adopted Budget to Final Budget and the Schedule of Real Property Tax Limit	66
Capital Projects Fund Schedule of Project Expenditures	67
Schedule of Net Investment in Capital and Lease Assets	68
Compliance Information	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	69-70
Schedule of Findings and Responses	71
Summary Schedule of Prior Audit Findings	72



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Averill Park Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Averill Park Central School District (the District), as of and for the year ended June 30, 2025, 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 the Averill Park Central School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Changes in Accounting Principle

As noted in Note 8 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13, budgetary comparison information on pages 61-62, schedule of changes in total OPEB liability on page 63, schedules of proportionate share of net pension liability (asset) on page 64 and schedules of district contributions on page 65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Averill Park Central School District's basic financial statements. The supplementary information on pages 66-68 is presented for purposes of additional analysis and is not a required part of the basic financial statements. These supplementary schedules are the responsibility of management and were 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Latham, NY
October 14, 2025

**AVERILL PARK CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING JUNE 30, 2025**

The following discussion and analysis of the Averill Park Central School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ending June 30, 2025. This discussion and analysis are intended to serve as an introduction to the District's basic financial statements; we encourage readers to consider the information presented here, in conjunction with information provided in the financial statements.

Financial Highlights

Ongoing Financial Conditions:

- The District developed the 2024-25 budget with no increase in Foundation Aid from New York State. To balance the budget, the District increased its reliance on fund balance and reserves.
- The District has established sufficient reserves and unassigned fund balance to a potential reduction in State Aid without adversely impacting its short-term financial position.
- The 2024–25 school year marked the final year of American Rescue Plan (ARP) funding. The District spent \$340,217 in ARP funds during the year. These funds were strategically applied to avoid a funding cliff resulting from the expiration of federal stimulus programs.
- In September 2024, District voters approved a \$39.9 million capital project to address critical safety needs and building deficiencies across District facilities. The District will contribute \$2 million from the Capital Reserve approved by voters in May 2023.

GASB No. 101 Implementation

District employees are entitled to sick and personal leave based on negotiated contracts. These benefits accumulate and, in certain cases, are payable upon termination. In accordance with GASB Statement No. 101, a liability is reported for compensated absences attributable to services already rendered and that are more likely than not to be used for time off or otherwise paid to employees. The liability is calculated based on current pay rates and includes salary-related payments.

Implementation of GASB No. 101 resulted in an increase of \$1,575,545 in the District's compensated absences liability compared to the prior year.

Results of Operations:

- The District's 2024–25 actual revenues exceeded budgeted revenues by \$870,399. Contributing factors included \$273,992 in additional tuition and fees charged to other districts and \$781,031 in interest income.
- These positive revenue variances were offset by the deferment of a planned \$700,000 transfer from the Employees Retirement Systems Reserve, a \$125,000 transfer from the Workers' Compensation Reserve and a \$150,000 transfer from the Teachers' Retirement System Reserve to the General Fund.

- The 2024–25 expenditure budget was approved at \$66,611,865. With \$172,508 in carryover encumbrances and \$538,137 in Board-approved additions, the final adjusted budget totaled \$67,322,510.
- District expenditures and encumbrances concluded with a positive variance of \$2,436,432, or 3.62% of the revised budget.
- While overall expenditures were favorable, increased costs for substitutes, utilities, home instruction, and employee benefits reduced the variance.
- The District maintained its unassigned fund balance at the maximum allowable level of 4.00% of the 2025–26 budget. As of June 30, 2025, unassigned fund balance totaled \$2,780,156, an increase of \$131,376 from the prior year.
- The District funded the Capital Reserve \$222,135, bringing the total in the reserve to \$2,301,862.
- A 5-year, \$986,080 serial bond was issued at 3.68% to finance the purchase of nine school buses and one maintenance truck.
- The District renewed a one-year bond anticipation note, increasing the balance from \$18,100,245 to \$26,672,000 at 3.18%, to finance the \$28.5 million capital project approved in October 2021.
- The District’s liability for compensated absences increased by \$1,575,545 to \$3,247,318 as of June 30, 2025, due to the implementation of GASB No. 101. Historically, the Board funded this reserve at 100% of the liability. Beginning July 1, 2020, the Board adopted a policy to fund no more than 50%, as it is unlikely the full liability would become payable at a single point in time. Following the revised calculation, the reserve now represents 25% of the liability.
- In 2011, the State Legislature and Governor enacted legislation applicable beginning with the 2012-13 school year, establishing a cap on the amount that a school district property tax levy can increase each year. Under this law, the growth in school tax levy will be capped a 2% or the rate of inflation, whichever is less, with some exceptions that allow the tax levy increase to exceed a 2%, but still to be considered within the tax levy cap for voting purposes. A school district tax levy that is within the cap threshold requires only a simple majority vote for approval. However, to raise taxes above the tax levy cap, requires a super majority (60% plus one yes votes) to approve the tax levy increase.
- In May 2025, voters approved the 2025–26 budget of \$69,503,900 by a margin of 66.4%. The budget reflects an increase of \$2,892,035, or 4.34%, over the prior year.
- For 2025–26, the District’s calculated tax levy cap was 2.41%. In August 2025, the Board adopted the full allowable levy increase of \$871,585, resulting in a total levy of \$37,022,118.

Overview of the Financial Statements

The District's annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, required supplementary information and the single audit section (under separate cover). The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.
 - The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.
 - *The financial* statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-wide Statements

The *District-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the District, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the assets of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. retirement system liabilities and earned but unused vacation leave).

The District-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A *fund* is a group of related account that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into two categories: government funds and fiduciary funds.

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not

Fund Financial Statements (Continued)

encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

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

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$89.5 million at the close of the most recent fiscal year.

Net Assets

	<u>Governmental Activities</u>		<u>Total</u>
		<u>Restated</u>	<u>Variance</u>
	<u>2025</u>	<u>2024</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 31,841,264	\$ 25,961,402	\$ 5,879,862
Capital and Lease Assets	61,047,922	57,371,655	3,676,267
Total Assets	\$ 92,889,186	\$ 83,333,057	\$ 9,556,129
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	\$ 14,028,260	\$ 23,241,103	\$ (9,212,843)
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 117,312,192	\$ 141,488,254	\$ (24,176,062)
Other Liabilities	32,256,161	23,946,618	8,309,543
Total Liabilities	\$ 149,568,353	\$ 165,434,872	\$ (15,866,519)
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	\$ 46,831,972	\$ 39,052,396	\$ 7,779,576
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 33,142,652	\$ 35,929,035	\$ (2,786,383)
Restricted	8,844,246	8,393,969	450,277
Unrestricted	(131,469,777)	(142,236,112)	10,766,335
Total Net Position	\$ (89,482,879)	\$ (97,913,108)	\$ 8,430,229

Net Position increased by \$8,591,728. Total assets and deferred outflows of resources increased by \$504,785, total liabilities and deferred inflows of resources decreased \$15,866,519.

The increase in total assets and deferred outflows is substantially due to an increase in total assets.

The primary factor impacting the decrease in Liabilities and deferred inflows was a decrease in long-term debt obligations.

District-wide Financial Analysis (Continued)

The District has reserved funds from unrestricted funds for the following purposes:

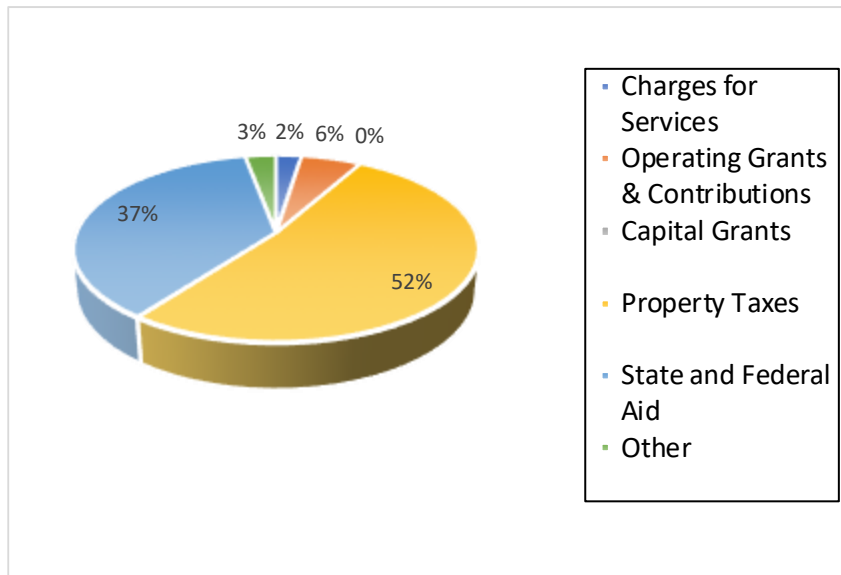
- *Appropriated fund balance* of \$1,631,608 reported in the general fund. The District has designated this portion for the subsequent year to reduce the tax levy.
- *Reserve for encumbrances* of \$336,008 reported in the general fund. Net assets within the General Fund are reserved to pay for commitments at June 30 that will be reappropriated during the subsequent fiscal year.
- *Retirement System Reserve* of \$3,327,836. The District has reserved funds to pay for future Employees Retirement System cost.
- *Retirement System Reserve TRS Sub-Fund* of \$780,685. The District has reserved funds to pay for future Teachers' Retirement system cost.
- *Workers' Compensation Reserve* of \$722,448. The District has reserved funds to pay for future self-funded workers' compensation cost.
- *Reserve for Debt* of \$438,574. The District will use these funds to pay down debt.
- *Reserve for Employee Benefit Accrued Liability* of \$817,317. The District will use these funds to pay accrued employee benefits due upon an employee's separation from service.
- *Reserve for Property Loss* of \$157,881. The District will use these funds to pay expenses that are not covered under the Water Infrastructure Improvement Grant from the state for the PFOA remediation at the Algonquin Middle School.
- *Reserve for Insurance* of \$217,494. The District has reserved these funds to pay for future property loss or liability claims that are not covered by insurance.
- *Capital Reserve* of \$2,301,863. The District reserved these funds to pay for a voter approved capital project.
- *Scholarships* of \$80,148. The District will use these funds for scholarships.

District-wide Financial Analysis (Continued)

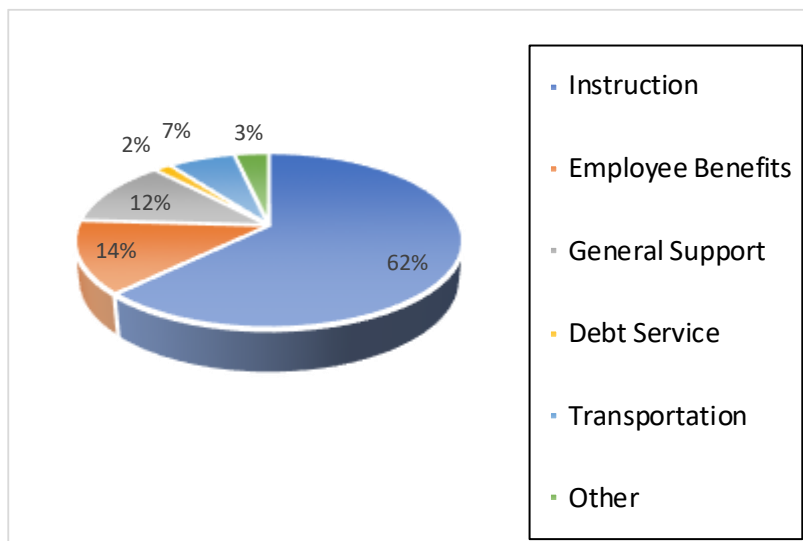
Statement of Activities

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2025</u>	<u>Restated</u> <u>2024</u>	<u>Variance</u>
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 1,650,473	\$ 1,748,797	\$ (98,324)
Operating Grants & Contributions	3,938,264	4,338,981	(400,717)
Capital Grants & Contributions	-	(1,540)	1,540
Total Program	\$ 5,588,737	\$ 6,086,238	\$ (497,501)
<u>General -</u>			
Property Taxes	\$ 36,150,218	\$ 34,760,366	\$ 1,389,852
Non Property Taxes	54,352	62,014	(7,662)
State and Federal Aid	25,673,216	27,077,859	(1,404,643)
Investment Earnings	1,305,749	857,259	448,490
Compensation for Loss	113,845	60,660	53,185
Miscellaneous	587,863	795,273	(207,410)
Total General	\$ 63,885,243	\$ 63,613,431	\$ 271,812
TOTAL REVENUES	\$ 69,473,980	\$ 69,699,669	\$ (225,689)
<u>EXPENSES:</u>			
General Support	\$ 7,492,431	\$ 7,622,373	\$ (129,942)
Instruction	38,126,461	37,618,468	507,993
Pupil Transportation	4,056,300	3,835,281	221,019
Employee Benefits	8,238,661	14,800,497	(6,561,836)
School Lunch	2,084,085	1,369,067	715,018
Interest	1,045,813	861,076	184,737
TOTAL EXPENSES	\$ 61,043,751	\$ 66,106,762	\$ (5,063,011)
CHANGE IN NET POSITION	\$ 8,430,229	\$ 3,592,907	
NET POSITION, BEGINNING			
OF YEAR	(97,913,108)	(101,506,015)	
NET POSITION, END OF YEAR	\$ (89,482,879)	\$ (97,913,108)	

Sources of Revenues for Fiscal Year 2025



Sources of Expenses for Fiscal Year 2025



Financial Analysis of The District's Funds

As explained earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The General fund is the chief operating fund of the District. At the end of the fiscal year, cash and investments totaled \$15,814,520 comprising 82% of total district assets. \$8,474,295 of the cash and investment balance is held to fund reserves established by the District, another \$148,771 of this cash balance is restricted for Extraclassroom activities with the remaining balance available to pay current liabilities.

General Fund Budgetary Highlights

For the year, final revenues were \$745,399 more than revised budgetary estimates, a 1.11% positive variance and expenditures and encumbrances were under revised budgetary estimates by \$2,436,430, a 3.2% positive variance.

The District's unassigned fund balance of \$2,780,156 as of June 30, 2025 was 4.00% of the \$69,503,900 2025-26 budget.

Capital and Lease Asset and Debt Administration

Capital and Lease Assets

As of June 30, 2025, the District had invested \$61,047,922, net of accumulated depreciation and amortization, in a broad range of capital and lease assets, including school buildings. Total depreciation expense for the year was \$4,694,442 and amortization expense was \$322,340.

The following summarizes capital assets, net of accumulated depreciation, at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<u>Capital Assets:</u>		
Land	\$ 90,062	\$ 90,062
Work in Progress	16,499,863	11,065,700
Buildings and Improvements	38,270,324	40,152,146
Machinery and Equipment	5,600,678	5,535,313
Total Capital Assets	<u>\$ 60,460,927</u>	<u>\$ 56,843,221</u>
<u>Lease Assets:</u>		
Equipment	\$ 586,995	\$ 528,434
Grand Total	<u>\$ 61,047,922</u>	<u>\$ 57,371,655</u>

Long-Term Debt

At June 30, 2025, the District had \$117,312,192 in general obligation bonds and other long-term debt outstanding, a decrease of 3.6% from the prior year. (More detailed information about the District's long-term liabilities is presented in Note 2B, II to the financial statements.)

The following summarizes long-term debt at June 30, 2025 and 2024:

<u>Type</u>	<u>2025</u>	<u>Restated 2024</u>
Serial and Statutory Bonds	\$ 8,477,035	\$ 9,240,005
Lease Liability	546,457	394,738
Retainage Payable	127,216	247,045
OPEB	100,702,174	122,891,131
Net Pension Liability	3,825,651	5,003,215
Workers Compensation	386,341	268,869
Compensated Absences	3,247,318	3,443,251
Total Long-Term Obligations	<u>\$ 117,312,192</u>	<u>\$ 141,488,254</u>

Economic Factors and Next Year’s Budgets and Rates

- The 2025–26 budget of \$69,503,900 was approved by voters in May 2025. This represents an increase of \$2,892,035, or 4.34%, over the prior year.
- The voter approved 2025-26 tax levy of \$37,022,118, is a \$871,585 increase over 2024-25, 2.41% increase over the prior year tax levy.
- The State’s property tax levy cap may continue to constrain the District’s ability to raise revenues needed to maintain educational programs and services.
- In December 2024, New York State adopted changes to the Foundation Aid formula following a commissioned study. The District was removed from the “hold harmless” category and placed back on the formula, resulting in a \$1.1 million increase in Foundation Aid for 2025–26. However, there is no guarantee the District will remain on the formula in future budgets.
- Enrollment in 2024-25 decreased slightly from 2023-24. Continued decline could negatively impact State and Federal aid.
- The District is experiencing an increase in the number of students qualifying for free & reduced-price lunch.
- The District budgeted the use of \$2,606,608 in fund balance and reserves to support the 2025–26 budget.
- Uncertainty regarding future Federal funding levels presents a potential risk to the District’s revenues. Any reductions in Federal support for education programs or school nutrition services could require the District to adjust its reliance on local revenues, fund balance, or expenditure reductions.

Contacting the District's Financial Management

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

Carrie Nyc-Chevrier
Assistant Superintendent for Business
Averill Park Central School District
146 Gettle Road, Station 1
Averill Park, New York 12018

**AVERILL PARK CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS

Cash and cash equivalents	\$ 2,813,263
Restricted cash and cash equivalents	7,965,482
Investments	5,026,674
Restricted investments	8,678,686
Accounts receivable	3,606,833
Inventories	25,738
Net pension asset	3,724,588
Capital assets, net	60,460,927
Lease assets, net	586,995
TOTAL ASSETS	<u>\$ 92,889,186</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources	<u>\$ 14,028,260</u>
--------------------------------	-----------------------------

LIABILITIES

Accounts payable	\$ 2,206,630
Accrued liabilities	126,745
Refundable advances	90,263
Due to other governments	12,571
Due to teachers' retirement system	2,595,042
Due to employees' retirement system	449,139
Bond anticipation notes payable	26,627,000
Other liabilities	148,771
Long-Term Obligations:	
Due in one year	3,135,599
Due in more than one year	114,176,593
TOTAL LIABILITIES	<u>\$ 149,568,353</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	<u>\$ 46,831,972</u>
-------------------------------	-----------------------------

NET POSITION

Net investment in capital and lease assets	\$ 33,142,652
Restricted	8,844,246
Unrestricted	(131,469,777)
TOTAL NET POSITION	<u><u>\$ (89,482,879)</u></u>

**AVERILL PARK CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General support	\$ 7,492,431	\$ 52,417	\$ -	\$ -	\$ (7,440,014)
Instruction	38,126,461	1,377,910	2,162,978	-	(34,585,573)
Employee benefits	8,238,661	-	-	-	(8,238,661)
Pupil transportation	4,056,300	-	-	-	(4,056,300)
School lunch	2,084,085	220,146	1,775,286	-	(88,653)
Interest	1,045,813	-	-	-	(1,045,813)
Total Functions/Programs	\$ 61,043,751	\$ 1,650,473	\$ 3,938,264	\$ -	\$ (55,455,014)

General Revenues:

Property taxes	\$ 36,150,218
Non property taxes	54,352
State and federal aid	25,673,216
Investment earnings	1,305,749
Compensation for loss	113,845
Miscellaneous	369,512
Premium on bond anticipation note	218,351
Total General Revenues	\$ 63,885,243

Changes in Net Position \$ 8,430,229

Net Position, Beginning of Year as Originally Reported (96,142,630)

Cumulative Effect of Change in Accounting Principle (Note 8) (1,770,478)

Net Position, Beginning of Year as Restated (97,913,108)

Net Position, End of Year \$ (89,482,879)

**AVERILL PARK CENTRAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,313,551	\$ 15,688	\$ 484,024	\$ -	\$ -	\$ -	\$ 2,813,263
Restricted cash and cash equivalents	103,235	-	-	80,148	217,287	7,564,812	7,965,482
Investments	5,026,674	-	-	-	-	-	5,026,674
Restricted investments	8,371,060	-	-	-	-	307,626	8,678,686
Receivables	2,860,166	618,160	128,507	-	-	-	3,606,833
Inventories	-	-	25,738	-	-	-	25,738
Due from other funds	594,962	-	-	-	221,287	964,260	1,780,509
TOTAL ASSETS	\$ 19,269,648	\$ 633,848	\$ 638,269	\$ 80,148	\$ 438,574	\$ 8,836,698	\$ 29,897,185
LIABILITIES AND FUND EQUITY (DEFICIENCY)							
Liabilities -							
Accounts payable	\$ 1,136,114	\$ 40,749	\$ 1,055	\$ -	\$ -	\$ 1,028,712	\$ 2,206,630
Notes payable - bond anticipation notes	-	-	-	-	-	26,627,000	26,627,000
Due to other funds	964,260	580,798	14,164	-	-	221,287	1,780,509
Due to other governments	-	12,301	270	-	-	-	12,571
Due to TRS	2,595,042	-	-	-	-	-	2,595,042
Due to ERS	449,139	-	-	-	-	-	449,139
Other liabilities	148,771	-	-	-	-	-	148,771
Refundable advances	-	-	90,263	-	-	-	90,263
TOTAL LIABILITIES	\$ 5,293,326	\$ 633,848	\$ 105,752	\$ -	\$ -	\$ 27,876,999	\$ 33,909,925
Deferred Inflows -							
Deferred inflows of resources	\$ 903,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 903,027
Fund Equity (Deficiency) -							
Nonspendable	\$ -	\$ -	\$ 25,738	\$ -	\$ -	\$ -	\$ 25,738
Restricted	8,325,524	-	-	80,148	438,574	-	8,844,246
Assigned	1,967,615	-	506,779	-	-	-	2,474,394
Unassigned	2,780,156	-	-	-	-	(19,040,301)	(16,260,145)
TOTAL FUND EQUITY (DEFICIENCY)	\$ 13,073,295	\$ -	\$ 532,517	\$ 80,148	\$ 438,574	\$ (19,040,301)	\$ (4,915,767)
TOTAL LIABILITIES DEFERRED INFLOWS AND FUND EQUITY (DEFICIENCY)	\$ 19,269,648	\$ 633,848	\$ 638,269	\$ 80,148	\$ 438,574	\$ 8,836,698	

**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Capital assets/lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	61,047,922
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(126,745)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial and statutory bonds payable	(8,199,019)
Lease liability	(546,457)
Retainage	(127,216)
OPEB	(100,702,174)
Compensated absences	(3,247,318)
Premium	(278,016)
Workers' compensation claims	(386,341)
Net pension asset	3,724,588
Deferred outflow - pension	11,223,298
Deferred outflow - OPEB	2,804,962
Net pension liability	(3,825,651)
Deferred inflow - pension	(4,793,809)
Deferred inflow - OPEB	(41,135,136)
Net Position of Governmental Activities	\$ (89,482,879)

AVERILL PARK CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Aid</u> <u>Fund</u>	<u>School</u> <u>Lunch</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES							
Real property taxes and tax items	\$ 36,204,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,204,570
Charges for services	1,430,327	-	-	-	-	-	1,430,327
Use of money and property	1,203,512	-	-	-	102,238	-	1,305,750
Sale of property and compensation for loss	153,002	-	-	-	-	-	153,002
Miscellaneous	346,324	-	1,929	21,259	-	-	369,512
State sources	25,250,235	759,034	831,372	-	-	-	26,840,641
Federal sources	422,981	1,403,944	943,914	-	-	-	2,770,839
Sales	-	-	220,146	-	-	-	220,146
TOTAL REVENUES	\$ 65,010,951	\$ 2,162,978	\$ 1,997,361	\$ 21,259	\$ 102,238	\$ -	\$ 69,294,787
EXPENDITURES							
General support	\$ 6,752,541	\$ -	\$ 812,388	\$ -	\$ -	\$ -	\$ 7,564,929
Instruction	32,521,110	2,171,391	185,321	22,171	-	-	34,899,993
Pupil transportation	3,569,187	96,025	-	-	-	340,945	4,006,157
Employee benefits	18,230,221	-	207,381	-	-	-	18,437,602
Debt service - principal	2,092,746	-	-	-	-	-	2,092,746
Debt service - interest	1,179,820	-	-	-	-	-	1,179,820
Cost of sales	-	-	878,995	-	-	-	878,995
Capital outlay	-	-	-	-	-	8,040,453	8,040,453
TOTAL EXPENDITURES	\$ 64,345,625	\$ 2,267,416	\$ 2,084,085	\$ 22,171	\$ -	\$ 8,381,398	\$ 77,100,695
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES	\$ 665,326	\$ (104,438)	\$ (86,724)	\$ (912)	\$ 102,238	\$ (8,381,398)	\$ (7,805,908)
OTHER FINANCING SOURCES (USES)							
Transfers - in	\$ 65,000	\$ 104,438	\$ 8	\$ -	\$ -	\$ 100,000	\$ 269,446
Transfers - out	(204,446)	-	-	-	(65,000)	-	(269,446)
Proceeds from obligations	-	-	-	-	-	986,080	986,080
BAN's redeemed from appropriations	-	-	-	-	-	195,000	195,000
Premium on bond anticipation note	-	-	-	-	218,351	-	218,351
Proceeds from leases	-	-	-	-	-	463,764	463,764
TOTAL OTHER FINANCING							
SOURCES (USES)	\$ (139,446)	\$ 104,438	\$ 8	\$ -	\$ 153,351	\$ 1,744,844	\$ 1,863,195
NET CHANGE IN FUND EQUITY	\$ 525,880	\$ -	\$ (86,716)	\$ (912)	\$ 255,589	\$ (6,636,554)	\$ (5,942,713)
FUND EQUITY, BEGINNING							
OF YEAR	12,547,415	-	619,233	81,060	182,985	(12,403,747)	1,026,946
FUND EQUITY, END OF YEAR	\$ 13,073,295	\$ -	\$ 532,517	\$ 80,148	\$ 438,574	\$ (19,040,301)	\$ (4,915,767)

**AVERILL PARK CENTRAL SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND EQUITY OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

NET CHANGE IN FUND EQUITY -
TOTAL GOVERNMENTAL FUNDS **\$ (5,942,713)**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital or certain outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. The following are the amounts by which capital or certain lease outlays and additions of assets in excess depreciation or amortization in the current period:

Capital Outlay	\$ 8,351,305	
Gain (Loss) on Disposal	(39,157)	
Lease Additions, Net	(41,350)	
Depreciation and Amortization	<u>(5,054,913)</u>	3,215,885

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt and Lease Repayments	\$ 1,897,746	
Proceeds from Bond Issuance	<u>(986,080)</u>	911,666

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (25,960)

The Retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds 119,824

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 9,290,099

(Increase) decrease in proportionate share of net pension asset/liability 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

Teachers' Retirement System		305,391
Employees' Retirement System		317,609

Portion of deferred (inflow) / outflow recognized in long term debt 159,967

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences	195,933	
Workers' Compensation Claims	<u>(117,472)</u>	<u>78,461</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 8,430,229**

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Averill Park Central School District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standards-setting body for establishing governmental accounting and financial reporting principles.

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. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of an entity included in the District's reporting entity:

The Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. However, due to administrative involvement defined in footnote 1 to paragraph 8b of GASB 84, the District accounts for these student organization funds within the General Fund. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office, located at 146 Gettle Rd, Averill Park, NY.

B. Joint Venture

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

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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

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

During the year ended June 30, 2025, the Averill Park Central School District was billed \$4,236,385 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to \$1,645,465. Financial statements for the BOCES are available from the BOCES administrative offices.

C. Basis of Presentation

I. District-wide statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column, if any, reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to the particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fund financial statements

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

The District reports the following major governmental funds:

a. Governmental Funds

General Fund

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

Special Aid Fund

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

School Lunch Fund

Used to account for transactions of the District's lunch and breakfast programs whose funds are restricted as to use.

Special Revenue Fund

Used to account for revenues legally restricted to expenditures for specific purposes such as scholarships. Any residual equity in the miscellaneous special revenue fund is reported as restricted fund balance and disclosed as such in the restricted fund balance footnote.

Debt Service Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipments or the right-to-use capital facilities and other capital and intangible assets.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fund financial statements

b. Fiduciary Funds

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

There are two classes of fiduciary funds:

- a. Private purpose trust funds: These funds are used to account for trust arrangements under which principal and income benefits individuals, private organizations or other governments. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.
- b. Custodial funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations.

There are no activities that meet the criteria to be reported as fiduciary funds.

D. Basis of Accounting/Measurement Focus

General Information

Measurement focus describes what type of information is reported and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available resources (e.g. compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

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 grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available if they 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, other postemployment benefits payable, pensions and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other sources.

E. Refundable Advances

Refundable advances arise when resources are received by the District before it has a legal claim to them, as when monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 12, 2024. Taxes were collected during the period September 1 through October 31, 2024.

II. Enforcement

Uncollected real property taxes are subsequently enforced by the County of Rensselaer, in which the District is located. An amount representing uncollected real property taxes transmitted to the county for enforcement is paid by the county to the District no later than the following April 1.

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

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

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the line-item level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

From Additional Revenues:	
Expenses associated with educational programs	\$ 200,294
From Reserved Fund Balance:	
Expenses associated with employee benefits	288,999
Expenses associated with insurance settlements	48,842
Total Supplemental Appropriations	<u>\$ 538,135</u>

- e. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.
- f. Budgets are established and used for individual capital fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

II. Encumbrances

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

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

III. Budget Basis of Accounting

The District is not required to formally adopt annual budgets for its special revenue funds. Accordingly, although the school lunch fund does have a management approved budget and each special aid fund project follows an approved project budget, no statement of budget and actual revenues and expenditures is presented for the special revenue funds.

H. Cash 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.

The District investment policies are governed by 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 and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments are stated at fair value.

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

I. Accounts Receivable

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

J. Inventories and Prepaid Items

Inventories of food and supplies in the school lunch fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase. Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund equity in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Interfund Transfers

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

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

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

Refer to Note 2.A.III. for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

L. Equity Classifications

District-wide statements:

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

Net investment in capital and lease assets - consists of net capital assets (cost less accumulated depreciation), net leases assets (less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets, unamortized bond premium, retainage payable, and lease liabilities.

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

Unrestricted - reports the balance of net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District:

Fund Statements

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

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund equity includes the following:

	Total
Inventory in School Lunch	\$ 25,738
Total Nonspendable Fund Equity	\$ 25,738

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of all other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund equity. The District has established the following restricted fund equity:

Debt Service

Used to account for the advanced refunding of debt and unspent proceeds of debt or premiums on short-term debt restricted for debt service.

Employee Benefit Accrued Liability

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

Retirement Contribution

According to General Municipal Law §6-r, these reserve funds must be used for financing retirement 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 fund must be provided to the Board. During a fiscal year, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with the existing General Municipal Law §6-r.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Property Loss Reserve

According to Education Law §1709[8-c] these reserve funds are used to establish and maintain a program of reserves to cover property loss claims incurred. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. Annual contribution(s) limited to 3 percent of the annual budget or \$15,000, whichever is greater. Funds cannot be used for another purpose without voter approval except the Board of Education may use monies not required to settle pending claims, to purchase insurance policies to cover losses previously self-insured. Balances may not be reduced below amounts required to settle all pending claims.

Workers' Compensation

According to General Municipal Law §6-j, these reserve funds must be used to pay compensation and benefits, medical, hospital, or other expenses authorized by Article 2 of the Workers' Compensation Law and to pay the expenses of administering a self-insurance workers' compensation 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 the Board may elect to transfer all or part of the excess amount to certain other reserve funds, or may apply all or part of the excess to the budget appropriation of the next succeeding fiscal year.

Insurance

This reserve was established according to General Municipal Law §6-n, and must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

Capital Reserve

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. 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.

Special Revenue Fund

Restricted for scholarships for students that meet donor specified criteria.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Restricted fund equity includes the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 722,448
Retirement Contribution - ERS	3,327,836
Retirement Contribution - TRS	780,685
Insurance	217,494
Property Loss Reserve	157,881
Capital Reserves	2,301,863
Employee Benefit Accrued Liability	817,317
<u>Misc Special Revenue Fund -</u>	
Scholarships	80,148
<u>Debt Service Fund -</u>	
Debt Service	438,574
Total Restricted Fund Equity	<u><u>\$ 8,844,246</u></u>

Committed - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund equity as of June 30, 2025.

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

	<u>Total</u>
General Fund - Encumbrances	\$ 336,007
General Fund - Appropriated for Taxes	1,631,608
School Lunch Fund - Year End Equity	506,779
Total Assigned Fund Equity	<u><u>\$ 2,474,394</u></u>

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Encumbrances

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

Purpose of Encumbrances

General Fund -

General Support	\$ 62,792
Instruction	154,550
Pupil Transportation	118,666
Total General Fund Encumbrances	<u><u>\$ 336,008</u></u>

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

NYS Real Property Tax Law Section 1318 limits the amount of unexpended surplus funds a school 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 equity 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. The District did not exceed the 4% limit at June 30, 2025.

Net Position/Fund Equity

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Equity Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund equity). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund equity in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Order of Use of Fund Equity:

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

M. Postemployment Benefits

In addition to providing the retirement benefits described in Note 2.B.I, the District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-employment benefits is shared between the District and the retired employee. See Note 4.

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District may have four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to the OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience and changes in assumptions.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Deferred Outflows and Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District may have two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportionate share of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to the OPEB report in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O. Capital Assets and Lease Assets

Capital assets are reported at historical cost or estimated historical cost. 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. Donated assets are reported at estimated fair market value at the time received.

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

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 1,000	N/A	N/A
Construction in Process	10,000	N/A	N/A
Buildings	10,000	SL	30-60 Years
Site improvements	10,000	SL	10-50 Years
Buildings and improvements	10,000	SL	20-60 Years
Furniture and equipment	1,000	SL	5-10 Years

Lease Assets

The District-wide financial statements, lease assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 4 and 5 years based on the contract terms and/or estimated replacement of the assets.

P. Short-Term Debt

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

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Short-Term Debt

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

Q. Accrued Liabilities and Long-Term Obligations

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

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

R. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

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

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

- a. Total Fund equity of governmental fund vs. net position of governmental activities:

Total fund equity of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. 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 sheets, as applied to the reporting of capital and lease assets and long-term liabilities including pensions.

- b. Statement of Revenues, Expenditures and Changes in Fund Equity vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities fall into one of five broad categories. The differences represent:

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 on the Statement of Activities.

Capital Related Differences

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

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension Differences

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

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

OPEB Differences

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

S. Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other postemployment benefits, actuarial calculation of net pensions asset/liability, deferred inflows/outflows, potential contingent liabilities, and the lives of long-term assets.

T. Employee Benefits – Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis. Upon retirement, employees may contractually receive a payment based on unused accumulated sick leave, based on contractual provisions.

Certain collectively bargained agreements require these payments to be paid in the form of non-elective contributions into the employees section 403(b) plan.

In the district-wide financial statements, the District recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to the leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at either the employee's rate of pay or the contractually agreed upon rate, including salary-related payments such as social security and Medicare taxes.

In the fund statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standard issued by GASB.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. New Accounting Standards

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025, which had a significant impact, see Note 8.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025. This statement did not have a significant impact on the District.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026.

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2025, all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, overall the objective of which is to adequately safeguard the principal amounts of funds invested or deposited; conformance with Federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investment will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest by the United States Treasury and the United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Investments

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. All District investments are valued based on Level 2 of the hierarchy.

The District participates in NYCLASS multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants.

At June 30, 2025, the District held \$13,705,360 in investments consisting of various investments in securities issued by the United States and its agencies.

Total investments of the NYCLASS cooperative as of June 30, 2025, based on unaudited numbers, are \$14,132,078,788, which consisted of \$3,825,553,728 in repurchase agreements, \$450,813,313 in collateralized bank deposits, \$128,601,917 in FDIC Insured Bank Deposits, and \$9,727,109,830 in U.S. Government Treasury Securities.

<u>Investments in Securities at Value</u>	<u>Valuation Inputs</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
General Fund	\$ -	\$ 13,397,734	\$ -	\$ 13,397,734
Capital Projects Fund	-	307,626	-	307,626
Total Receivables	\$ -	\$ 13,705,360	\$ -	\$ 13,705,360

The above amounts represent the fair value of the investment pool shares. For the year ended June 30, 2025, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Risks and Uncertainties with Investments

The District invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the statement of net position.

Restricted Cash and Investments

Restricted cash and investments consists of the following:

	<u>Total</u>
General Fund	
Workers' Compensation	\$ 722,448
Retirement Contribution-ERS	3,327,836
Retirement Contribution-TRS	780,685
Insurance	217,494
Property Loss	157,881
Employee Benefit Accrued Liability	817,317
Capital	2,301,863
Extraclassroom Activities	148,771
Special Revenue Fund	
Scholarships	80,148
Debt Service Fund	
Repayment of debt	217,287
Capital Projects Fund	
Voter Approved Capital Projects	307,626
Voter Approved Capital Projects	7,564,812
Total	<u><u>\$ 16,644,168</u></u>

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Receivables

Receivable balances for the year ended June 30, 2025 are:

<u>Description</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>School Lunch Fund</u>	
Accounts Receivable	\$ 100,596	\$ -	\$ -	\$ -	\$ 100,596
Due From State and Federal	1,841,822	618,160	-	128,507	2,588,489
Lease Receivable	917,748	-	-	-	917,748
Total Receivables	<u>\$ 2,860,166</u>	<u>\$ 618,160</u>	<u>\$ -</u>	<u>\$ 128,507</u>	<u>\$ 3,606,833</u>

III. Interfund Receivables and Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund receivable and payable balances at June 30, 2025 are as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 594,962	\$ 964,260	\$ 65,000	\$ 204,446
Special Aid Fund	-	580,798	104,438	-
School Lunch Fund	-	14,164	8	-
Debt Service Fund	221,287	-	-	65,000
Capital Projects Fund	964,260	221,287	100,000	-
Total	<u>\$ 1,780,509</u>	<u>\$ 1,780,509</u>	<u>\$ 269,446</u>	<u>\$ 269,446</u>

The District typically transfers from the General Fund to the Special Aid Fund to pay its share of the special education summer school programs its students attended, Capital Projects Fund for the local share of projects, and from Debt Service to the General Fund for payments on obligations.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

A. Assets

IV. Capital Assets

Capital asset balances for the year ended June 30, 2025 are as follows:

<u>Type</u>	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 90,062	\$ -	\$ -	\$ 90,062
Construction in process	11,065,700	16,499,863	11,065,700	16,499,863
Total Nondepreciable	<u>\$ 11,155,762</u>	<u>\$ 16,499,863</u>	<u>\$ 11,065,700</u>	<u>\$ 16,589,925</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 104,291,378	\$ 1,745,480	\$ 3,777	\$ 106,033,081
Furniture and equipment	13,516,109	1,171,662	513,615	14,174,156
Total Depreciated Assets	<u>\$ 117,807,487</u>	<u>\$ 2,917,142</u>	<u>\$ 517,392</u>	<u>\$ 120,207,237</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 64,139,232	\$ 3,627,302	\$ 3,777	\$ 67,762,757
Furniture and equipment	7,980,796	1,067,140	474,458	8,573,478
Total Accumulated Depreciation	<u>\$ 72,120,028</u>	<u>\$ 4,694,442</u>	<u>\$ 478,235</u>	<u>\$ 76,336,235</u>
Total Capital Assets Depreciated, Net of Accumulated Depreciation	<u>\$ 45,687,459</u>	<u>\$ (1,777,300)</u>	<u>\$ 39,157</u>	<u>\$ 43,871,002</u>
Total Capital Assets	<u>\$ 56,843,221</u>	<u>\$ 14,722,563</u>	<u>\$ 11,104,857</u>	<u>\$ 60,460,927</u>

Depreciation expense of \$4,694,442 for the year ended June 30, 2025 was allocated to specific functions as follows:

General	\$ 739,900
Instruction	3,563,454
Pupil transportation	391,088
	<u>\$ 4,694,442</u>

B. Liabilities

I. Pension Plans

General Information

The District participates in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). Collectively, TRS and ERS are referred to herein as 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.

AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Plan Descriptions

Teachers' Retirement System

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

Employees' Retirement System

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

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Contributions

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% to 3.5% of their salary for their entire length or service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS.

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ 1,191,025	\$ 2,326,337
2024	1,074,544	2,329,814
2023	841,999	2,457,311

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Pension Liabilities

At June 30, 2025, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total net pension asset/(liability) used to calculate the net pension liability was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Net pension assets/(liability)	\$ (3,825,651)	\$ 3,724,588
District's portion of the Plan's total net pension asset/(liability)	0.022%	0.125%

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense (Credit)

For the year ended June 30, 2025, the District recognized its proportionate share of pension expense of \$837,420 for ERS and \$2,048,599 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 949,552	\$ 4,010,697	\$ 44,791	\$ -
Changes of assumptions	160,440	2,228,058	-	374,780
Net difference between projected and actual earnings on pension plan investments	300,150	-	-	4,138,334
Changes in proportion and differences between the District's contributions and proportionate share of contributions	246,234	447,975	152,259	83,645
Subtotal	<u>\$ 1,656,376</u>	<u>\$ 6,686,730</u>	<u>\$ 197,050</u>	<u>\$ 4,596,759</u>
District's contributions subsequent to the measurement date	449,139	2,431,053	-	-
Grand Total	<u><u>\$ 2,105,515</u></u>	<u><u>\$ 9,117,783</u></u>	<u><u>\$ 197,050</u></u>	<u><u>\$ 4,596,759</u></u>

Deferred Outflows and Inflows of Resources Related to Pensions

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (liability)/asset in the year ended March 31, 2026 for ERS and June 30, 2025 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized within pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ -	\$ (1,839,527)
2026	711,900	4,610,884
2027	1,021,254	(678,803)
2028	(300,981)	(760,750)
2029	27,153	547,429
Thereafter	-	210,738
Total	<u><u>\$ 1,459,326</u></u>	<u><u>\$ 2,089,971</u></u>

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.90%	6.95%
Salary scale	4.30%	5.18%-1.95%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, actuarial assumptions were computed by the TRS Office of the Actuary and summarized in the Recommended Actuarial Assumption 2021 report. The actuarial assumptions are based on recent TRS member experience. Detailed assumption information may be found in the TRS annual Actuarial Valuation Report.

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

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

Measurement date	Long Term Expected Rate of Return	
	<u>ERS</u>	<u>TRS</u>
	March 31, 2025	June 30, 2024
<u>Asset Type -</u>		
Domestic equity	3.54%	6.60%
International equity	6.57%	7.40%
Global equity	0.00%	6.90%
Private equity	7.25%	10.00%
Real estate	4.95%	6.30%
Opportunistic/ARS portfolio	5.25%	0.00%
Real assets	5.55%	0.00%
Cash equivalents	0.25%	0.50%
Private debt	0.00%	5.90%
Real estate debt	0.00%	3.90%
High-yield fixed income securities	0.00%	4.80%
Domestic fixed income securities	0.00%	2.60%
Global fixed income securities	0.00%	2.50%
Credit	5.40%	0.00%
Fixed income	2.00%	0.00%

Discount Rate

The discount rate used to calculate the total pension (liability)/asset was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, as actuarially determined. Based upon the assumptions, the 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)/asset.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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

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

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (11,071,917)	\$ (3,825,651)	\$ 2,224,985
<u>TRS</u>	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (17,204,085)	\$ 3,724,588	\$ 21,326,162

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2025 is \$923,318 for ERS and \$2,135,830 for TRS.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$449,139.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer’s contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$2,595,042.

Other Benefits

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

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. 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.

Interest on short-term debt was comprised of:

Interest Paid	\$ 769,260
Less: Interest Accrued in the Prior Year	(21,076)
Plus: Interest Accrued in the Current Year	35,016
Total Short-Term Interest Expense	<u><u>\$ 783,200</u></u>

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Short-Term Debt

The following is a summary of changes in short-term debt:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
BAN - Reconstruction	6/20/2025	4.25%	\$ 18,100,245	\$ -	\$ 18,100,245	\$ -
BAN - Reconstruction	6/18/2026	4.00%	-	26,627,000	-	26,627,000
Total Short-Term Debt			\$ 18,100,245	\$ 26,627,000	\$ 18,100,245	\$ 26,627,000

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or 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 are full faith and credit debt of the District. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Interest on long-term debt was comprised of:

Interest Paid	\$ 410,560
Less: Interest Accrued in the Prior Year	(79,709)
Plus: Interest Accrued in the Current Year	91,729
Less: Amortization of bond premium	(159,967)
Total Long-Term Interest Expense	\$ 262,613

Long-Term Obligations

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Changes

The changes in indebtedness during the year ended June 30, 2025 are summarized as follows:

	<u>Restated Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 6,065,000	\$ -	\$ 765,000	\$ 5,300,000	\$ 1,662,125
Unamortized Premium	437,983	-	159,967	278,016	90,821
Lease Liability	394,738	411,816	260,097	546,457	214,241
Statutory Bonds	2,737,022	986,080	824,083	2,899,019	862,125
Total Bonds and Notes Payable	\$ 9,634,743	\$ 1,397,896	\$ 2,009,147	\$ 9,023,492	\$ 2,829,312
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 5,003,215	\$ 312,245	\$ 1,489,809	\$ 3,825,651	\$ -
OPEB	122,891,131	7,685,165	29,874,122	100,702,174	-
Workers' Compensation Claims	268,869	206,481	89,009	386,341	-
Retainage Payable	247,045	-	119,829	127,216	127,216
Compensated Absences	3,443,251	93,066	288,999	3,247,318	179,071
Total Other Liabilities	\$ 131,853,511	\$ 8,296,957	\$ 31,861,768	\$ 108,288,700	\$ 306,287
Total Long-Term Obligations	\$ 141,488,254	\$ 9,694,853	\$ 33,870,915	\$ 117,312,192	\$ 3,135,599

The above liabilities are liquidated by the general fund.

Maturity

The following is a summary of maturity of indebtedness:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2025</u>
\$10.4 million Excel II	\$ 10,425,000	2017	2032	2.34%	\$ 5,300,000
Total Serial Bonds					\$ 5,300,000
Installment Obligation	\$ 695,750	2021	2025	1.19%	\$ 139,150
Installment Obligation	834,474	2022	20274	1.25%	333,789
Installment Obligation	809,373	2023	2027	3.18%	510,000
Installment Obligation	1,126,072	2023	2029	3.25%-4.00%	930,000
Installment Obligation	986,080	2024	2029	2.80%-4.13%	986,080
Total Statutory Bonds					\$ 2,899,019

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

<u>Year</u>	<u>Statutory and Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2026	\$ 1,662,125	\$ 363,210	\$ 90,821
2027	1,596,894	284,974	73,868
2028	1,495,000	220,493	56,007
2029	1,380,000	156,415	37,338
2030	1,190,000	96,939	17,660
2031-32	875,000	49,500	2,322
Total	<u>\$ 8,199,019</u>	<u>\$ 1,171,531</u>	<u>\$ 278,016</u>

III. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the District. At June 30, 2025, the District has exhausted 17.53% of its constitutional debt limit.

The voters have authorized the following debt which was unissued at June 30, 2025; \$28,527,000 and \$39,900,000 to finance capital improvements at the District. The \$26,627,000 bond anticipation note was issued under these authorizations. These bonds will be issued when the capital projects are complete.

IV. Deferred Inflows of Resources

Deferred inflows of resources on the balance sheet - governmental funds arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current periods and is contingent on future outcomes not expected to occur within the availability period. The amount reflects the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

V. Deferred Outflows and Inflows of Resources

The deferred outflows and inflows reported on the statement of net position consist of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 11,223,298	\$ 4,793,809
Leases	-	903,027
OPEB	2,804,962	41,135,136
Total	<u>\$ 14,028,260</u>	<u>\$ 46,831,972</u>

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

General Information

The Averill Park Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, injuries to employees; errors and omissions; and natural disasters. 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.

Workers' Compensation Insurance

The District is self-insured for workers' compensation benefits on a cost-reimbursement basis. The District has contracted with Benetech, Inc. as a third-party administrator of the District's workers' compensation insurance program. Under the program, the District is responsible for paying all claims. Some qualifying claim payments made by the District are reimbursed through excess cost insurance or through various funds administered by the New York State Workers' Compensation Board. The District purchases workers' compensation insurance coverage for paid workers' compensation claims in excess of \$600,000 per individual occurrence through the Statewide Excess Insurance Purchasing Cooperative.

The District establishes workers compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, referred to as Claim Reserve and of claims that have been incurred but not reported, referred to as IBNR. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims cost projections does not necessarily result in an exact amount. Claims cost projections are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Workers' Compensation Insurance

and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience.

The District budgets current funds to pay for ongoing claims expense. The District has also established a Workers' Compensation Reserve with a balance of \$722,448 as of June 30, 2025 to fund future claims and as cash flow protection in the event of a significant claim occurrence. Further, the District expects to be fully reimbursed through excess cost insurance on an individual claim with a current claim reserve of \$56,604 which is included in the balance of unpaid claims as of June 30, 2025.

The following represents changes in those aggregate liabilities for the District during the past two years:

	<u>2025</u>	<u>2024</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 268,869	\$ 316,299
Incurred claims and claim adjustment expenses	206,481	33,144
Increase (decrease) in provision for incurred events of prior years (Claim Reserve)	-	(23,233)
Total incurred claims and claim adjustment expenses	<u>475,350</u>	<u>326,210</u>
Payments made for claims during the current year	<u>(89,009)</u>	<u>(57,341)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u><u>\$ 386,341</u></u>	<u><u>\$ 268,869</u></u>

Health Insurance Plan

The District entered on July 1, 2017 as a member of the Capital Area Schools Health Insurance Consortium (the "Consortium"), which is a trust formed under New York State Law on May 1, 1994. The Consortium is considered a public entity risk pool which is defined as a cooperative group of governmental entities joining together to finance an exposure, liability or risk, and is tax-exempt under Section 501(c)(9) of the Internal Revenue Code. The Consortium is governed by a trust agreement and a board of trustees who execute the provisions of the Trust, as set forth in the agreement. The Consortium has contracted with Amsure Associates for third party administration.

The Consortium was formed to allow its member school districts to obtain health insurance and prescription drug benefits at lower cost through a pooled purchasing arrangement. The Consortium procures group insurance contracts with insurance carriers for medical, prescription drug and dental benefits, in which the Consortium is not liable for any medical, prescription drug or dental claims. However, the Consortium also maintains a self-insured prescription drug plan for which the individual Consortium members are liable for any claims in excess of the balances maintained by the Consortium. As of June 30, 2025, the District's prescription drug plan account balance maintained by the Consortium is approximately \$2.3 million. The Consortium also

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Health Insurance Plan

maintains an account balance for the District of \$441,892 to fund supplemental premium payments that may be required under the retrospective funding arrangement in place for one of the insurance contracts.

The District has chosen to establish a self-funded prescription drug benefit program for all eligible employees. The pharmacy benefit manager, Blue Shield of Northeastern New York, is responsible for the approval, processing and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The benefit program reports on a fiscal year ending June 30. The program is accounted for in the General Fund of the District. At year-end, the District has a liability of \$0. With electronic claims submissions, all incurred claims are reported within two weeks, and have been included within the fiscal year’s claims, effectively representing reported and unreported claims which were incurred on or before year-end, but which were not paid by the District as of that date. Claims activity is summarized below for the past fiscal year and when available in future years, comparative data will also be reported:

	<u>2024-2025</u>
Claims and Administration Fees	\$ 5,190,739
Claim Payments	(5,190,739)
Estimated Incurred but not reported as of June 30	-
Balance at End of Year	<u><u>\$ -</u></u>

B. Other Items

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

4. POSTEMPLOYMENT BENEFITS

Plan Description

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

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

4. POSTEMPLOYMENT BENEFITS

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when they retired and their applicable agreement. Employees are required to reach age 55 and have 5 to 16 years of service to qualify for other postemployment benefits. The District currently funds the plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2025 \$4,175,326 was paid on behalf of 447 retirees.

Benefits Provided

The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms - As of the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	447
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	324
Total	771

Net OPEB Liability

The District's total OPEB liability of \$100,702,174 was measured as of June 30, 2025; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2024.

Actuarial Assumptions and Other Inputs

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

Inflation	2.40 percent
Salary Increases	2.40 percent, average, including inflation
Discount Rate	5.20 percent
Healthcare Cost Trend Rates	Initial rate of 6.60% decreasing to an ultimate rate of 3.80% over 55 years
Retirees' Share of Benefit-Related Costs	Varies depending on contract

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

4. POSTEMPLOYMENT BENEFITS

Net OPEB Liability

Mortality rates were based on PubT-2010 and PubG-2010 Headcount-Weighted Mortality Table projected to the valuation date with Scale MP-2021.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit and 30% of future spouses of retirees eligible for coverage will elect the benefit. For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate was based on the Bond Buyer GO 20-year Municipal Bond Index.

Changes in the Net OPEB Liability

Changes in the District's net OPEB liability were as follows:

Balance at June 30, 2024	<u>\$ 122,891,131</u>
<u>Changes for the Year -</u>	
Service cost	2,825,747
Interest	4,859,418
Changes of benefit terms	-
Differences between expected and actual experience	(8,039,811)
Changes in assumptions or other inputs	(17,658,985)
Benefit payments	<u>(4,175,326)</u>
Net Changes	<u>(22,188,957)</u>
Balance at June 30, 2025	<u><u>\$ 100,702,174</u></u>

Changes of benefit terms reflect changes in assumptions and other inputs including a change in the discount rate from 3.93% in 2024 to 5.20% in 2025. Changes in membership make-up average age, updates to medical trends and mortality tables caused changes in expected and actual experience above.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

4. POSTEMPLOYMENT BENEFITS

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

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20%) or 1 percentage point higher (6.20%) than the current discount rate:

	1% Decrease (<u>4.20%</u>)	Discount Rate (<u>5.20%</u>)	1% Increase (<u>6.20%</u>)
Total OPEB Liability	\$ 114,782,375	\$ 100,702,174	\$ 89,134,125

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

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.40% decreasing to 2.80%) or 1 percentage point higher (7.40% decreasing to 4.80%) than the current healthcare cost trend rate:

	1% Decrease (<u>5.60%</u> Decreasing to <u>2.80%</u>)	Healthcare Cost Trend Rates (<u>6.60%</u> Decreasing to <u>3.80%</u>)	1% Increase (<u>7.60%</u> Decreasing to <u>4.80%</u>)
Total OPEB Liability	\$ 87,422,004	\$ 100,702,174	\$ 117,182,287

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

For the year ended June 30, 2025, the District recognized OPEB expense (recovery) of \$(5,114,733). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,495	\$ 13,037,252
Changes of assumptions	2,801,467	28,097,884
Total	<u>\$ 2,804,962</u>	<u>\$ 41,135,136</u>

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

4. POSTEMPLOYMENT BENEFITS

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

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

<u>Year</u>	
2026	\$ (15,151,147)
2027	(10,658,097)
2028	(6,590,442)
2029	(4,942,077)
2030	(988,411)
Thereafter	-
Total	<u><u>\$ (38,330,174)</u></u>

5. DEFICIT FUND BALANCE

The Capital fund had a fund deficit of \$19,040,301. This deficit will be removed when the District issues long-term financing.

6. TAX ABATEMENTS

The County of Rensselaer enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. No tax abatements were entered into during June 30, 2025 that impact the District.

7. LEASE ASSETS AND OBLIGATIONS

Lease Assets

A summary of the lease asset activity during the year ended June 30, 2025 is as follows:

<u>Type</u>	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
<u>Lease Assets:</u>				
Furniture and Equipment	\$ 1,308,497	\$ 419,033	\$ -	\$ 1,727,530
Total Lease Assets	<u>1,308,497</u>	<u>419,033</u>	<u>-</u>	<u>1,727,530</u>
<u>Less Accumulated Amortization -</u>				
Furniture and Equipment	780,063	360,472	-	1,140,535
Total Accumulated Amortization	<u>780,063</u>	<u>360,472</u>	<u>-</u>	<u>1,140,535</u>
Total Lease Assets, Net	<u><u>\$ 528,434</u></u>	<u><u>\$ 58,561</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 586,995</u></u>

Amortization expense of \$360,472 is allocated to instruction on the statement of activities.

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

7. LEASE ASSETS AND OBLIGATIONS

Lease Liability

Lease agreements are summarized as follows:

The computer equipment and printers were leased for the District with the terms noted above. This lease is not renewable and the District will not acquire the equipment at the end of the five years.

	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>	<u>Balance June 30, 2025</u>
Furniture and equipment	7/1/2022	4 years	41,212	5.56%	152,275	\$ 39,041
Furniture and equipment	7/1/2023	4 years	69,998	4.76%	261,101	130,404
Furniture and equipment	7/1/2023	4 years	3,447	5.53%	12,718	6,349
Furniture and equipment	7/1/2024	4 years	59,022	4.53%	221,175	162,154
Furniture and equipment	7/1/2021	5 years	6,208	0.89%	30,375	6,178
Furniture and equipment	7/1/2022	5 years	13,918	3.45%	64,037	26,852
Furniture and equipment	7/1/2023	6 years	1,990	3.97%	9,044	6,317
Furniture and equipment	7/1/2024	6 years	42,353	4.38%	190,641	169,162
Total Lease Agreements						<u>\$ 546,457</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 214,241	\$ 23,905
2027	176,760	13,966
2028	97,278	6,088
2029	41,422	1,728
2030	16,756	184
	<u>\$ 546,457</u>	<u>\$ 45,871</u>

Lease Receivable

The District is reporting a Lease Receivable of \$917,748 at June 30, 2025. For the year ended June 30, 2025, the District reported lease revenue of \$184,822 and interest revenue of \$6,914 related to lease payments received. These leases are summarized as follows:

<u>Lease</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
George-Washington Elementary	\$ 917,748	\$ 179,836	\$ 6,914
GCC	-	4,986	-
Total	<u>\$ 917,748</u>	<u>\$ 184,822</u>	<u>\$ 6,914</u>

**AVERILL PARK CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

7. LEASE ASSETS AND OBLIGATIONS

Lease Receivable

George Washington Elementary - On July 1, 2020, the District entered into a ten-year lease agreement with the Board of Cooperative Educational Services, Rensselaer, Columbia and Green Counties for the lease of real property that is part of the District. Based on this agreement, the District is receiving monthly payments through 2030. The lease may be renewed upon a mutual written agreement.

GCC - On March 22, 2021, the District entered into a four-year lease agreement with Greenbush Child Caring, Inc. for the lease of certain premises located within Mill Hill-Sand Lake School. Based on this agreement, the District is receiving monthly payments through 2024. There are no renewal options included in this lease agreement.

8. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of the statement changes the calculation of compensated absences based on estimates and rates defined in the standard. The adjustment recorded to the opening net position is summarized below:

	Government-Wide <u>Statements</u>
Net position beginning of year, as originally reported	\$ (96,142,630)
Adjustments for compensated absences	<u>(1,770,478)</u>
Net position beginning of year, as restated	<u><u>\$ (97,913,108)</u></u>

9. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 14, 2025, which is the date these financial statements were issued. All subsequent events requiring recognition or disclosure as of June 30, 2025 have been incorporated into these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 36,150,533	\$ 33,892,151	\$ 33,898,571	\$ 6,420
Real property tax items	50,000	2,308,382	2,305,999	(2,383)
Charges for services	1,154,725	1,154,725	1,430,327	275,602
Use of money and property	416,270	416,270	1,203,512	787,242
Sale of property and compensation for loss	21,000	132,735	153,002	20,267
Miscellaneous	215,000	283,560	346,324	62,764
State Sources -				
Basic formula	23,581,127	23,581,127	17,606,319	(5,974,808)
Lottery aid	-	-	5,605,379	5,605,379
BOCES	1,797,600	1,797,600	1,645,465	(152,135)
Textbooks	157,042	157,042	155,004	(2,038)
All Other Aid -				
Computer software	40,791	40,791	40,716	(75)
Library loan	17,019	17,019	16,987	(32)
Other aid	44,150	64,150	180,365	116,215
Federal Sources	<u>295,000</u>	<u>295,000</u>	<u>422,981</u>	<u>127,981</u>
TOTAL REVENUES	<u>\$ 63,940,257</u>	<u>\$ 64,140,552</u>	<u>\$ 65,010,951</u>	<u>\$ 870,399</u>
Other Sources -				
Transfer - in	<u>\$ 141,158</u>	<u>\$ 190,000</u>	<u>\$ 65,000</u>	<u>\$ (125,000)</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 64,081,415</u>	<u>\$ 64,330,552</u>	<u>\$ 65,075,951</u>	<u>\$ 745,399</u>
Appropriated reserves	<u>\$ 898,842</u>	<u>\$ 1,187,840</u>		
Appropriated fund equity	<u>\$ 1,631,608</u>	<u>\$ 1,631,608</u>		
Prior year encumbrances	<u>\$ 172,509</u>	<u>\$ 172,509</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND EQUITY	<u><u>\$ 66,784,374</u></u>	<u><u>\$ 67,322,509</u></u>		

REQUIRED SUPPLEMENTARY INFORMATION
AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 55,880	\$ 68,056	\$ 60,113	\$ -	\$ 7,943
Central administration	444,020	439,343	433,928	-	5,415
Finance	733,687	700,837	674,761	1,859	24,217
Staff	633,578	633,171	504,612	-	128,559
Central services	4,143,179	4,156,623	3,914,198	60,933	181,492
Special items	1,176,512	1,174,155	1,164,929	-	9,226
Instructional -					
Instruction, administration and improvement	1,810,019	1,761,395	1,719,121	3,082	39,192
Teaching - regular school	16,794,846	16,840,279	16,505,009	35,674	299,596
Programs for children with handicapping conditions	9,100,350	9,110,214	8,230,104	6,485	873,625
Occupational education	861,260	861,620	861,620	-	-
Teaching - special schools	48,795	56,824	51,462	-	5,362
Instructional media	1,992,049	1,824,962	1,725,731	59,563	39,668
Pupil services	3,451,591	3,551,297	3,428,063	49,746	73,488
Pupil Transportation	3,688,299	3,838,755	3,569,187	118,666	150,902
Employee Benefits	18,689,798	18,813,452	18,230,221	-	583,231
Debt service - principal	1,784,083	2,092,747	2,092,746	-	1
Debt service - interest	1,166,428	1,188,779	1,179,820	-	8,959
TOTAL EXPENDITURES	<u>\$ 66,574,374</u>	<u>\$ 67,112,509</u>	<u>\$ 64,345,625</u>	<u>\$ 336,008</u>	<u>\$ 2,430,876</u>
Other Uses -					
Transfers - out	\$ 210,000	\$ 210,000	\$ 204,446	\$ -	\$ 5,554
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 66,784,374</u>	<u>\$ 67,322,509</u>	<u>\$ 64,550,071</u>	<u>\$ 336,008</u>	<u>\$ 2,436,430</u>
NET CHANGE IN FUND EQUITY	\$ -	\$ -	\$ 525,880		
FUND EQUITY, BEGINNING OF YEAR	<u>12,547,415</u>	<u>12,547,415</u>	<u>12,547,415</u>		
FUND EQUITY, END OF YEAR	<u><u>\$ 12,547,415</u></u>	<u><u>\$ 12,547,415</u></u>	<u><u>\$ 13,073,295</u></u>		

**REQUIRED SUPPLEMENTARY INFORMATION
AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025**

	TOTAL OPEB LIABILITY							
Measurement date	<u>2025</u> 6/30/2025	<u>2024</u> 6/30/2024	<u>2023</u> 6/30/2023	<u>2022</u> 6/30/2022	<u>2021</u> 6/30/2021	<u>2020</u> 6/30/2020	<u>2019</u> 6/30/2019	<u>2018</u> 6/30/2018
Service cost	\$ 2,825,747	\$ 3,114,945	\$ 3,204,542	\$ 5,287,631	\$ 4,444,474	\$ 4,142,922	\$ 5,556,022	\$ 5,060,746
Interest	4,859,418	4,575,435	4,795,388	3,616,755	3,578,078	4,674,099	4,336,555	4,130,949
Effect of Plan Changes	-	-	-	-	(637,982)	-	(973,511)	-
Effect of Demographic Gains or Losses	(8,039,811)	-	(8,930,348)	-	(19,343,899)	-	979,944	282,839
Effect of Assumption Changes or Inputs	(17,658,985)	(5,076,800)	(5,242,509)	(35,054,868)	20,310,627	22,706,077	(16,282,811)	-
Benefit payments	(4,175,326)	(3,889,009)	(3,804,800)	(3,700,240)	(3,611,897)	(3,312,091)	(3,111,804)	(3,120,741)
Net Change in Total OPEB Liability	\$ (22,188,957)	\$ (1,275,429)	\$ (9,977,727)	\$ (29,850,722)	\$ 4,739,401	\$ 28,211,007	\$ (9,495,605)	\$ 6,353,793
Total OPEB Liability - Beginning	\$ 122,891,131	\$ 124,166,560	\$ 134,144,287	\$ 163,995,009	\$ 159,255,608	\$ 131,044,601	\$ 140,540,206	\$ 134,186,413
Total OPEB Liability - Ending	\$ 100,702,174	\$ 122,891,131	\$ 124,166,560	\$ 134,144,287	\$ 163,995,009	\$ 159,255,608	\$ 131,044,601	\$ 140,540,206
Covered Employee Payroll	\$ 23,759,160	\$ 23,714,639	\$ 23,714,639	\$ 24,250,233	\$ 24,250,233	\$ 23,537,030	\$ 23,537,030	\$ 28,306,308
Total OPEB Liability as a Percentage of Covered Employee Payroll	423.85%	518.21%	523.59%	553.17%	676.26%	676.62%	556.76%	496.50%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

REQUIRED SUPPLEMENTARY INFORMATION
AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2025

NYSERS Pension Plan

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (assets)	0.0223126%	0.0238617%	0.0233037%	0.0226126%	0.0225086%	0.0225086%	0.0238060%	0.2380600%	0.0238060%	0.0238060%
Proportionate share of the net pension liability (assets)	\$ 3,825,651	\$ 3,513,406	\$ 4,997,247	\$ (1,848,487)	\$ 22,696	\$ 5,943,213	\$ 1,606,649	\$ 726,454	\$ 2,203,992	\$ 3,834,738
Covered-employee payroll	\$ 9,736,387	\$ 9,313,215	\$ 8,881,373	\$ 8,308,856	\$ 8,197,673	\$ 8,164,824	\$ 8,056,166	\$ 6,663,551	\$ 7,411,942	\$ 7,533,893
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	39%	38%	56%	-22%	0%	73%	20%	11%	30%	51%
Plan fiduciary net position as a percentage of the total pension liability	93.08	93.88	90.78	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NYSTRS Pension Plan

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (assets)	0.124835%	0.130275%	0.136039%	0.136024%	0.130000%	0.130000%	0.133830%	0.135585%	0.129391%	0.129391%
Proportionate share of the net pension liability (assets)	\$ (3,724,588)	\$ 1,489,809	\$ 2,610,447	\$ (23,571,636)	\$ 3,697,214	\$ (3,399,661)	\$ (2,420,005)	\$ (1,030,584)	\$ 1,426,129	\$ (13,641,206)
Covered-employee payroll	\$ 24,597,188	\$ 24,531,742	\$ 24,811,420	\$ 24,722,381	\$ 23,686,411	\$ 23,370,732	\$ 22,585,183	\$ 21,799,460	\$ 21,948,466	\$ 20,546,918
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-15%	6%	11%	-95%	16%	-15%	-11%	-5%	6%	-66%
Plan fiduciary net position as a percentage of the total pension liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

**REQUIRED SUPPLEMENTARY INFORMATION
AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2025**

NYSERS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 1,191,025	\$ 1,010,519	\$ 834,188	\$ 1,119,280	\$ 1,061,754	\$ 1,023,697	\$ 979,728	\$ 961,701	\$ 1,044,669	\$ 1,189,507
Contributions in relation to the contractually required contribution	<u>(1,191,025)</u>	<u>(1,010,519)</u>	<u>(834,188)</u>	<u>(1,119,280)</u>	<u>(1,061,754)</u>	<u>(1,023,697)</u>	<u>(979,728)</u>	<u>(961,701)</u>	<u>(1,044,669)</u>	<u>(1,189,507)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 9,736,387	\$ 9,313,215	\$ 8,881,373	\$ 8,308,856	\$ 8,197,673	\$ 8,164,824	\$ 8,056,166	\$ 6,663,551	\$ 7,411,942	\$ 7,533,893
Contributions as a percentage of covered-employee payroll	12.23%	10.85%	9.39%	13.47%	12.95%	12.54%	12.16%	14.43%	14.09%	15.79%

NYSTRS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 2,326,337	\$ 2,475,847	\$ 2,361,774	\$ 2,200,250	\$ 2,012,092	\$ 2,319,629	\$ 2,136,347	\$ 2,518,138	\$ 2,724,521	\$ 3,458,291
Contributions in relation to the contractually required contribution	<u>(2,326,337)</u>	<u>(2,475,847)</u>	<u>(2,361,774)</u>	<u>(2,200,250)</u>	<u>(2,012,092)</u>	<u>(2,319,629)</u>	<u>(2,136,347)</u>	<u>(2,518,138)</u>	<u>(2,724,521)</u>	<u>(3,458,291)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 24,597,188	\$ 24,531,742	\$ 24,811,420	\$ 24,722,381	\$ 23,686,411	\$ 23,370,732	\$ 22,585,183	\$ 21,799,460	\$ 21,948,466	\$ 20,546,918
Contributions as a percentage of covered-employee payroll	9.46%	10.09%	9.52%	8.90%	8.49%	9.93%	9.46%	11.55%	12.41%	16.83%

**SUPPLEMENTARY INFORMATION
 AVERILL PARK CENTRAL SCHOOL DISTRICT
 SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET
 AND THE SCHEDULE OF REAL PROPERTY TAX LIMIT
 THE YEAR ENDED JUNE 30, 2025**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 66,611,865
Prior year's encumbrances	172,509
	<u>172,509</u>
Original Budget	\$ 66,784,374
Budget revisions -	
Employee Benefit Accrued Liability Reserve	288,999
Workers' Compensation Reserve	48,842
Donations	200,294
	<u>200,294</u>
FINAL BUDGET	<u><u>\$ 67,322,509</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2025-26 voter approved expenditure budget	\$ 69,503,900
<u>Unrestricted fund equity:</u>	
Assigned fund equity	\$ 1,967,616
Unassigned fund equity	2,780,156
	<u>2,780,156</u>
Total Unrestricted fund equity	<u>\$ 4,747,772</u>
<u>Less adjustments:</u>	
Appropriated fund equity	\$ 1,631,608
Encumbrances included in assigned fund equity	336,008
	<u>336,008</u>
Total adjustments	<u>\$ 1,967,616</u>
General fund fund equity subject to Section 1318 of	
Real Property Tax Law	2,780,156
	<u>2,780,156</u>
ACTUAL PERCENTAGE	<u><u>4.00%</u></u>

SUPPLEMENTARY INFORMATION
AVERILL PARK CENTRAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Project Title	SED Project Number	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			Fund Equity (Deficiency)	
				Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources		Total
Capital Exclusion Emergency Projects												
Algonquin Middle School - Capital Exclusion Project	0009-019	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -
Bus Garage - Phase 1	5016-006	4,295,000	4,303,001	2,393,065	-	2,393,065	1,909,936	-	-	404,136	404,136	(1,988,929)
Bus Garage - Phase 1A	5016-007	69,500	69,500	42,448	-	42,448	27,052	-	-	-	-	(42,448)
West Sand Lake - Phase 1A	0006-012	172,500	172,500	109,123	-	109,123	63,377	-	-	-	-	(109,123)
Algonquin Middle School - Phase 1A	0009-017	652,500	1,205,000	1,650,343	-	1,650,343	(445,343)	-	-	-	-	(1,650,343)
Algonquin Middle School - Phase 1C	0009-018	35,438	35,438	4,562	24,770	29,332	6,106	-	-	-	-	(29,332)
Bus Garage - Phase 1B		50,000	50,000	47,745	-	47,745	2,255	-	-	-	-	(47,745)
Algonquin Middle School - Phase 2	0009-016	5,183,850	5,183,850	2,654,249	755,715	3,409,964	1,773,886	-	-	336,250	336,250	(3,073,714)
Averill Park High School - Phase 2	0001-016	6,730,250	6,730,250	4,903,779	820,470	5,724,249	1,006,001	-	-	336,250	336,250	(5,387,999)
Press Box Demo - Phase 2	7022-002	709,750	33,667	34,300	(7,917)	26,383	7,284	-	-	-	-	(26,383)
Press Box Construction - Phase 2	7025-001	684,000	684,000	463,068	62,788	525,856	158,144	-	-	-	-	(525,856)
Averill Park High School - Phase 2A	0001-020	600,000	600,000	-	7,105	7,105	592,895	-	-	-	-	(7,105)
Miller Hill Sand Lake Elementary - Phase 3A	0000-010	1,920,297	1,920,297	413,366	441,646	855,012	1,065,285	-	-	-	-	(855,012)
Poestenkill Elementary School - Phase 3A	0004-011	2,214,480	2,214,480	147,159	636,800	783,959	1,430,521	-	-	-	-	(783,959)
West Sand Lake - Phase 3A	0006-011	3,648,251	3,648,251	553,415	559,546	1,112,961	2,535,290	-	-	-	-	(1,112,961)
George Washington School - Phase 3A	0007-009	1,943,027	1,943,027	134,964	575,425	710,389	1,232,638	-	-	-	-	(710,389)
Miller Hill Sand Lake Elementary - Phase 3B	0000-011	1,795,000	1,795,000	2,122	546,491	548,613	1,246,387	-	-	-	-	(548,613)
Poestenkill Elementary School - Phase 3B	0004-012	1,667,500	1,667,500	222	568,192	568,414	1,099,086	-	-	-	-	(568,414)
West Sand Lake - Phase 3B	0006-013	1,769,000	1,769,000	222	669,085	669,307	1,099,693	-	-	-	-	(669,307)
George Washington School - Phase 3B	0007-010	1,540,000	1,540,000	222	551,909	552,131	987,869	-	-	-	-	(552,131)
Transportation- Phase 3B	0006-009	803,750	874,506	-	712,626	712,626	161,880	-	-	-	-	(712,626)
Algonquin Middle School- Phase 1	0009-020	1,115,900	1,115,900	-	256,073	256,073	859,827	-	-	-	-	(256,073)
Averill Park High School- Phase 1	0001-021	1,200,000	1,200,000	-	31,849	31,849	1,168,151	-	-	-	-	(31,849)
School Bus & Equipment Purchases		7,920,796	8,906,876	7,652,059	605,061	8,257,120	649,756	8,907,130	-	-	8,907,130	650,010
Lease Expense		-	-	662,700	463,764	1,126,464	(1,126,464)	-	-	1,126,464	1,126,464	-
TOTAL		\$ 46,820,789	\$ 47,762,043	\$ 21,869,133	\$ 8,381,398	\$ 30,250,531	\$ 17,511,512	\$ 8,907,130	\$ -	\$ 2,303,100	\$ 11,210,230	\$ (19,040,301)

**SUPPLEMENTARY INFORMATION
 AVERILL PARK CENTRAL SCHOOL DISTRICT
 SCHEDULE OF NET INVESTMENT IN CAPITAL AND LEASE ASSETS
 JUNE 30, 2025**

Capital and Lease Assets		\$ 61,047,922
Add:		
Capital fund investments	\$ 307,626	
Capital fund cash	<u>7,564,812</u>	7,872,438
Deduct:		
Bond payable	\$ 8,199,019	
Bond anticipation notes	26,627,000	
Lease Liability	546,457	
Retainage payable	127,216	
Unamortized bond premium	<u>278,016</u>	<u>35,777,708</u>
Net Investment in Capital and Lease Assets		<u><u>\$ 33,142,652</u></u>



BUSINESS
ADVISORS
AND CPAS

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

To the President and Members
of the Board of Education of the
Averill Park Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the Averill Park Central School District (the District), as of and for the year ended June 30, 2025, 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 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Mengel, Metzger, Bar & Co. LLP

Latham, NY
October 14, 2025

**AVERILL PARK CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(ies) identified? _____yes X none reported

Noncompliance material to financial statements noted? _____yes X no

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

None

**AVERILL PARK CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

2024-001 Compliance with Net Cost, Resources and Excess Fund Balance for Child Nutrition

Statement of Condition: The fund balance in the school lunch fund exceeds the allowed Limit by \$53,000.

Status: This was corrected and therefore, not repeated.