

NEW ISSUE**BOND ANTICIPATION NOTES**

In the opinion of Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel, under existing law, interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; provided, however, interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, and 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, and continue to be, excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, under existing law, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. No opinion is expressed regarding any other tax consequences resulting from ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The District will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$21,525,000

DUANESBURG CENTRAL SCHOOL DISTRICT

SCHENECTADY, ALBANY, MONTGOMERY, AND SCHOHARIE COUNTIES, NEW YORK



CUSIP BASE: 263579

GENERAL OBLIGATIONS

\$21,525,000 Bond Anticipation Notes, 2026
(referred to as the "Notes")

Dated: June 23, 2026

Due: June 23, 2027

The Notes are general obligations of the Duaneburg Central School District, Schenectady, Albany, Montgomery and Schoharie Counties, New York (the "District"), all the taxable real property within which 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 OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC"). If the Notes are issued registered in the name of the purchaser(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District. If the Notes are issued in book-entry-only form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be paid in Federal Funds by the District to Cede & Co., which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes. 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 Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel. 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 23, 2026.

ELECTRONIC BIDS for the Notes must be submitted on the Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com, on June 9, 2026 by no later than 11:00 A.M. Prevailing Time. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via 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 for the Notes.

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 "CONTINUING DISCLOSURE" HEREIN.

DUANESBURG CENTRAL SCHOOL DISTRICT
SCHENECTADY, ALBANY, MONTGOMERY, AND SCHOHARIE COUNTIES, NEW YORK

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2025-2026 BOARD OF EDUCATION

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SERENA KILLENBERGER
District Clerk

WALSH SCHWARTZ LLP
Bond Counsel



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

No person has been authorized by the Duaneburg 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 Duaneburg Central School District.

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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
DUANESBURG CENTRAL SCHOOL DISTRICT
SCHENECTADY, ALBANY, MONTGOMERY, AND SCHOHARIE COUNTIES, NEW YORK

RELATING TO
\$21,525,000 Bond Anticipation Notes, 2026

This Official Statement, which includes the cover page, has been prepared by the Duanesburg Central School District, Schenectady, Albany, Montgomery and Schoharie Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$21,525,000 principal amount of Bond Anticipation Notes, 2026 (referred to herein as the "Notes").

The factors affecting the 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 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 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 District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF OBLIGATION

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

Holders of any series of notes or bonds of the 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 District and will contain a pledge of the faith and credit of the 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 District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the 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 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 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 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.

THE NOTES

Description of the Notes

The Notes are general obligations of the 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 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 OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes are to be dated June 23, 2026 and will mature, without option of prior redemption, on June 23, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”). If the Notes are issued registered in the name of the purchaser(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District. If the Notes are issued in book-entry-only form, such Notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be paid in Federal Funds by the District to Cede & Co., which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

On December 8, 2022, the qualified voters of the District approved a proposition authorizing the District to finance the reconstruction and improvement of existing structures, systems or areas at the District’s Elementary School, Junior/Senior High School and Bus Garage at a maximum cost of \$28,000,000. The District will finance the project with the expenditure of \$6,000,000 from capital reserve funds, \$400,000 of interest earnings and the issuance of \$21,600,000 of bond anticipation notes and serial bonds. On February 26, 2025, the District issued \$75,000 bond anticipation notes as the first borrowing for the project. Such bond anticipation notes matured on June 26, 2025 and were redeemed in full with budgeted appropriations. On August 19, 2025, the District issued \$15,100,000 bond anticipation notes in new money for the project.

The proceeds of the Notes will renew, in full, the \$15,100,000 bond anticipation notes outstanding and maturing on June 24, 2026 and provide \$6,425,000 in new money.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. 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 each note bearing the same rate of interest and CUSIP number 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.

Principal and interest 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, principal and interest 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 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 in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the western part of Schenectady County with the Schoharie Creek forming the western boundary. The surrounding counties are Albany to the South, Schoharie to the West, and Montgomery to the North. Small portions of the District extend into each of the surrounding counties. The largest part of the District lies within the Town of Duanesburg. In addition, the Village of Delanson and the Hamlet of Quaker Street lie wholly within District boundaries.

The District is primarily rural. Homes and small farms make up a majority of District properties. A small business district is located in the heart of Duanesburg.

Bus service is provided by the Capital District Transportation Authority. The Norfolk Southern Railway Co. formerly known as the Delaware and Hudson Railroad, one of the largest taxpayers in the District, maintains a siding in Delanson.

Many residents of the District are employed in the urban areas of Schenectady and Albany. The General Electric Company, located in Schenectady, and the State Government are the largest employers in the area. Duanesburg is linked to the Capital District by Interstates 88 and 90 and New York State Routes 20 and 7.

Fire protection and emergency health care are provided by the local volunteer fire companies. Duanesburg, Delanson, and Quaker Street each maintain a fire company. New York State Troopers and the Schenectady County Sheriff provide police protection and are stationed in nearby Princetown.

Source: District officials.

District Population

The 2024 estimated population of the District is 4,679. (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 Official Statement.

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Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Village, Towns and Counties listed below. The figures set below with respect to such Village, Towns, Counties and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Village, Towns, Counties or the State 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:						
Duanesburg	\$ 31,586	\$ 35,991	\$ 53,532	\$ 86,912	\$ 97,201	\$ 142,472
Princetown	32,217	40,189	51,983	88,107	98,375	112,000
Schoharie	30,258	27,552	34,623	69,107	72,557	87,232
Wright	28,375	34,698	43,990	72,969	81,319	102,375
Charleston	22,838	38,973	35,030	67,083	75,625	94,779
Florida	24,550	39,771	46,159	66,250	100,275	112,784
Knox	29,968	40,480	51,152	89,583	105,262	128,568
Village of:						
Delanson	27,754	29,854	45,951	72,917	91,250	114,375
Counties of:						
Schenectady	27,500	33,379	43,516	70,712	86,124	103,499
Schoharie	25,105	32,352	38,809	61,828	71,211	89,356
Montgomery	22,347	27,346	33,117	53,476	63,989	90,586
Albany	30,863	38,592	48,210	76,159	95,923	120,437
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 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 Official Statement.

Five Larger Employers

<u>Name</u> ⁽¹⁾	<u>Type</u>	<u>Employees</u>
General Electric Company	Research/Manufacturing/Engineering	4,000
Ellis Medicine	Hospital/Medical Facilities	3,589
SI Group	Chemical Manufacturing	2,700
Knolls Atomic Power Laboratory (KAPL)	Government Contractor for Navy Submarines	2,600
Contec Holdings	Telecommunications	2,500

⁽¹⁾ Employers are within or in close proximity to the District.

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Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Schenectady County	3.7%	7.9%	5.1%	3.5%	3.5%	3.7%	3.7%
Schoharie County	4.6	7.2	4.9	3.8	4.2	4.1	4.0
Montgomery County	4.8	8.4	5.6	4.0	4.3	4.3	4.2
Albany County	3.5	6.9	4.4	3.1	3.2	3.3	3.4
New York State	3.9	9.8	7.1	4.3	4.1	4.3	4.3

	<u>2026 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
Schenectady County	4.1%	4.5%	4.2%	N/A	N/A	N/A
Schoharie County	5.5	6.0	5.3	N/A	N/A	N/A
Montgomery County	5.3	5.7	5.0	N/A	N/A	N/A
Albany County	3.7	4.0	3.6	N/A	N/A	N/A
New York State	4.7	5.2	4.4	N/A	N/A	N/A

Note: Unemployment rates for April, May and June 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

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education. Under current law an election is held within the District boundaries on the third Tuesday in May to elect members of the Board of Education. They are generally elected for a term of three years.

In early July of each year, the Board of Education meets for the purpose of reorganization. At that time, the Board elects a President and Vice President and appoints a District Clerk and District Treasurer.

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, 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 third 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). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 with a vote of 361 to 213. The District’s adopted budget included a total tax levy increase of 3.20%, which was equal to the District’s Tax Cap of 3.20% for the 2025-26 fiscal year.

The budget for the 2026-27 fiscal year was approved by the qualified voters on May 19, 2026 with a vote of 428 to 270. The District’s adopted budget included a total tax levy increase of 2.90%, which was below the District’s Tax Cap of 2.93% for the 2026-27 fiscal year.

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the District is generally permitted to deposit moneys in banks or trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District; (5) certificates of participation issued in connection with installment purchase contracts entered into by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments or investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in the custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education of the District has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy. In addition to incorporating all of the provisions of statutes enumerated above, the District’s adopted investment policy further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State.

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 53.06% 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. With the exception of the State’s fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State’s fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State’s fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State’s budget has been adopted by April 1 or shortly thereafter for over ten (10) years. 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 preliminary building aid ratios, the District expects to receive State building aid of approximately 79.8% 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 history

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 includes 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 provides 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 grant 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.

School district fiscal year (2026-2027): The State’s 2026-27 Executive Budget includes \$39.3 billion in State funding to school districts for the 2026-27 school year, an estimated year-to-year funding increase of \$1.6 billion. The State’s 2026-27 Executive Budget includes \$27 billion in Foundation Aid, an increase of \$779 million from 2025-26, and includes a 1% minimum increase in Foundation Aid to all school districts. The State’s 2026-27 Executive Budget also includes an increase of \$561 million in Universal Pre-Kindergarten Aid to ensure universal full-day Pre-K for all four-year-olds in the State by the start of the State’s 2029 fiscal year.

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 available 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 Executive Budget: \$27 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 Budget 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 the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and budgeted figures for the 2025-2026 and 2026-2027 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	\$ 16,806,393	\$ 8,306,464	49.42%
2021-2022	17,345,542	8,298,675	47.84
2022-2023	17,851,185	8,620,896	48.29
2023-2024	18,572,138	8,952,350	48.20
2024-2025	19,384,399	9,252,974	47.73
2025-2026 (Budgeted)	19,464,590	9,681,116	49.74
2026-2027 (Adopted)	21,451,635	11,383,153	53.06

⁽¹⁾ Does not include appropriated fund balance, reserves or interfund transfers where applicable.

Source: Audited Financial Statements for the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and the adopted budget for the 2025-2026 and 2026-2027 fiscal years. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Alterations</u>
Duanesburg Elementary School	Pre-K-6	373	1955, 2005, 2016
Duanesburg Junior/Senior High School	7-12	494	1923, 2007, 2017

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>K-12 Actual Enrollment</u>	<u>PK-12 Enrollment</u>	<u>School Year</u>	<u>Projected K-12 Actual Enrollment</u>	<u>Projected PK-12 Enrollment</u>
2021-2022	633	657	2026-2027	592	621
2022-2023	641	667	2027-2028	592	622
2023-2024	647	679	2028-2029	576	612
2024-2025	615	646	2029-2030	573	613
2025-2026	611	655	2030-2031	573	611

Note: The above reflects District public school enrollment. Special Education placement is not reflected above and therefore is reflected on the next page.

Students with Disabilities outplaced at other locations

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected K-12 Enrollment</u>
2021-2022	18	2026-2027	14
2022-2023	15	2027-2028	13
2023-2024	18	2028-2029	11
2024-2025	15	2029-2030	10
2025-2026	14	2030-2031	10

Source: District officials.

Employees

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
81	Duanesburg Teachers' Association	June 30, 2028
56	Duanesburg Educational Support Association	June 30, 2026 ⁽¹⁾
9	Duanesburg Administrative Support Group	June 30, 2027
3	Duanesburg Administrator's Association	June 30, 2027
3	Other single contracts	

⁽¹⁾ Currently under negotiation.

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 System 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 had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. 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 (other than those in Tier V and VI, as described below) 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 (for both Tier V and Tier VI).
- 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, the Governor signed into law the new Tier VI pension program, 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 Governor and Legislative leaders have publicly discussed changes to Tier VI. There is no way to predict as of the date whether the Legislature will adopt, and the Governor will sign into law, changes to Tier VI.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the 2025-2026 and 2026-2027 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	244,409	461,530
2021-2022	263,311	565,882
2022-2023	224,508	543,122
2023-2024	237,417	518,216
2024-2025	275,345	540,744
2025-2026 (Budgeted)	295,000	560,000
2026-2027 (Budgeted)	320,000	575,000

Source: District records.

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. The District offered an early retirement incentive in the 2024-2025 fiscal year and one employee participated. The anticipated savings to the District is \$30,000.

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 rates as a percent of payroll (2022-23 to 2026-27) is shown below:

<u>State Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
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 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.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, 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 Rate Pension Contribution Option”). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but 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 State’s 2019-2020 Enacted 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 as of June 2019.

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.

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 the Capital Region BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability for the 2024 and 2025 fiscal year, by source.

	Balance beginning at:	<u>July 1, 2023</u>	<u>July 1, 2024</u>
		\$ 34,076,362	\$ 35,377,654
<u>Changes for the year:</u>			
Service cost		1,299,317	1,322,049
Interest		1,448,828	1,530,704
Change in benefit terms		-	(19,639,107)
Differences between expected and actual experience		(400,882)	(2,119,653)
Changes in assumptions or other inputs		(449,737)	(1,235,928)
Benefit payments		(596,234)	(688,974)
Net Changes		<u>\$ 1,301,292</u>	<u>\$ (20,830,909)</u>
	Balance ending at:	<u>June 30, 2024</u>	<u>June 30, 2025</u>
		<u>\$ 35,377,654</u>	<u>\$ 14,546,745</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.

Other Information

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

The District has complied 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 District failed to make its interest payment due on its \$221,880 School District (Serial) Bonds, 2022 in a timely manner. \$2,863.84 of the \$7,562.59 was paid on the due date of June 15, 2023 and the remaining \$4,698.75 was paid on July 6, 2023 due to an ACH withdrawal request error. The District had funds on hand to make payment and the late payment was not related to a cash flow issue. The District has no reason to believe the oversight will occur again.

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

Except to the extent shown in "Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

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”. Certain financial information of the District can be found attached as Appendices to this 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.

As of the date of this Official Statement, there are no recent State Comptroller audits of the District, nor are there any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, nor is information therein included herein by reference.

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 to 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 last five 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	0.0
2022	No Designation	0.0
2021	No Designation	0.0

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

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.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Duanesburg	\$ 131,115,804	\$ 133,956,760	\$ 136,381,612	\$ 138,935,491	\$ 139,942,425
Charleston	9,373,680	9,392,387	9,296,089	9,319,067	9,371,933
Knox	3,397,985	3,388,495	3,377,119	3,518,970	3,551,629
Wright	5,715,258	5,737,824	5,639,854	5,563,085	5,588,718
Princetown	262,489	254,073	252,910	219,100	218,557
Florida	1,877,395	1,841,530	1,864,106	1,949,143	2,042,245
Schoharie	201,044	200,474	197,988	195,799	194,976
Total Assessed Values	\$ 151,943,655	\$ 154,771,543	\$ 157,009,678	\$ 159,700,655	\$ 160,910,483

State Equalization Rates

Towns of:					
Duanesburg	30.00%	26.00%	23.50%	22.90%	22.90%
Charleston	93.00%	79.00%	68.00%	61.50%	61.50%
Knox	50.00%	42.00%	39.00%	38.00%	38.00%
Wright	70.00%	60.00%	51.00%	49.50%	49.50%
Princetown	30.00%	26.50%	24.25%	22.50%	22.50%
Florida	100.00%	93.00%	88.50%	84.50%	84.50%
Schoharie	88.00%	76.50%	66.41%	64.00%	64.00%
Total Taxable Full Valuation	\$ 465,073,348	\$ 547,939,254	\$ 617,183,213	\$ 645,943,550	\$ 650,670,812

Source: District officials.

Tax Rates 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:					
Duanesburg	\$ 60.10	\$ 59.92	\$ 60.29	\$ 60.71	\$ 62.41
Charleston	19.39	19.72	20.84	22.61	22.60
Knox	36.06	37.09	36.33	36.59	35.42
Wright	25.76	25.97	27.78	28.09	26.21
Princetown	60.10	58.79	58.42	61.79	62.41
Florida	18.03	16.75	16.01	16.45	15.60
Schoharie	20.49	20.37	21.33	21.73	21.14

Source: District officials.

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	\$ 8,385,866	\$ 8,536,811	\$ 8,744,255	\$ 8,980,349	\$ 9,267,474
Amount Uncollected ⁽¹⁾	475,224.03	521,815.57	411,101.77	376,812.39	395,021.88
% Uncollected	5.67%	6.11%	4.70%	4.20%	4.26%

⁽¹⁾ The District receives 100% of its tax levy each year. See "Tax Collection Procedure" herein.

Source: District officials.

Tax Collection Procedure

District taxes are payable during the month of September without penalty and during October with a 2% penalty. On November 1, a list of all unpaid taxes is given to the Counties for re-levy on County/Town tax rolls. The District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and budgeted figures for the 2025-2026 and 2026-2027 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 Taxes & Tax Items</u>
2020-2021	\$ 16,803,036	\$ 8,237,327	49.01%
2021-2022	17,342,921	8,397,655	48.41
2022-2023	17,851,185	8,543,908	47.86
2023-2024	18,572,138	8,752,510	47.13
2024-2025	19,384,399	8,992,147	46.39
2025-2026 (Budgeted)	19,464,590	9,267,474	47.61
2026-2027 (Budgeted)	21,451,635	9,536,232	44.45

⁽¹⁾ Does not include appropriated fund balance, reserves or interfund transfers where applicable.

Source: Audited Financial Statements for the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and the adopted budgets for the 2025-2026 and 2026-2027 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2025 Assessment Roll for 2025-2026 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Grid	Utility	\$ 2,933,017
Norfolk Southern Railway Co.	Railroad	2,081,370
Hannaford Bros Co.	Commercial	920,000
Murray, Christopher R	Private	845,000
Valley Mobile Home Ct. LLC	Residential/Trailer Court	741,000
Hillcrest Villas MHP, LLC	Residential / Trailer Court	623,625
National Grid	Utility	606,327
Stewarts Ice Cream Co. Inc.	Commercial	500,000
Gullion, Stewart W.	Private	449,650
Verizon NY Inc.	Utility	399,064

The ten largest taxpayers listed above have a total assessed valuation of \$10,099,057 which represents 6.32% of the tax base of the District for the 2025-2026 fiscal year.

As of the date of this Official Statement, the District does not have any pending or outstanding tax certioraris that are known to have a material impact on the District.

Source: District Tax Rolls.

Additional Tax Information

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

Senior citizens' 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 District is approximately \$2,050 including County, Town, Village, School District and Fire District taxes. The estimated annual school tax bill of a \$100,000 market value residential property located in the District is approximately \$1,310.61.

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 \$107,300 or less for the 2025-26 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 for the 2025-26 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 below table lists the basic and enhanced exemption amounts for the 2026-2027 District tax roll for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Duanesburg	\$ 18,590	\$ 6,300	4/10/2026
Princetown	18,590	6,390	4/10/2026
Charleston	51,330	17,510	4/10/2026
Florida	74,340	25,200	4/10/2026
Schoharie	54,870	18,600	4/10/2026
Wright	44,250	15,000	4/10/2026
Knox	32,750	11,100	4/10/2026

\$631,010 of the District’s \$8,980,349 school tax levy for the 2024-2025 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

\$605,249 of the District’s \$9,267,474 school tax levy for the 2025-2026 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2026.

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. 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 includes 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	\$13,241,701	\$12,141,880	\$ 11,080,980	\$ 10,143,352	\$ 9,078,431
Bond Anticipation Notes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$13,241,701</u>	<u>\$12,141,880</u>	<u>\$ 11,080,980</u>	<u>\$ 10,143,352</u>	<u>\$ 9,078,431</u>

Note: The table above does not include installment purchase indebtedness. See “Installment Purchase Agreements” herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 2, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2026-2033	\$ 8,758,431
Bond Anticipation Notes Capital Project	June 24, 2026	<u>15,100,000</u>
	Total Indebtedness	<u>\$ 23,858,431</u>

Note: The table above does not include installment purchase indebtedness. See “Installment Purchase Agreements” herein.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of June 2, 2026:

Full Valuation of Taxable Real Property	\$ 650,670,812
Debt Limit 10% thereof	65,067,081

Inclusions:

Bonds	\$ 8,758,431	
Bond Anticipation Notes	<u>15,100,000</u> ⁽¹⁾	
Total Inclusions prior to issuance of the Notes	<u>23,858,431</u>	
Add: New money proceeds of the Notes	<u>6,425,000</u>	
Total Net Inclusions after issuance of the Notes		<u>\$ 30,283,431</u>

Exclusions:

State Building Aid ⁽¹⁾	\$ 0	
Total Exclusions		<u>\$ 0</u>

Total Net Indebtedness	<u>\$ 30,283,431</u>
Net Debt-Contracting Margin	<u>\$ 34,783,650</u>
The percent of debt contracting power exhausted is	<u>46.54%</u>

⁽¹⁾ 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 2026-2027 Building Aid Ratios, the School District anticipates State building aid of 79.8% 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.

The table above does not include installment purchase indebtedness. See “Installment Purchase Agreements” herein.

Bonded Debt Service

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

Cash Flow Borrowings

The District has not issued any tax and/or revenue anticipation notes, budget notes or deficiency notes in the past five fiscal years.

Installment Purchase Agreements

The District entered into installment purchase agreements with the Capital Region BOCES. In 2024, the District entered into an installment purchase agreement in the principal amount of \$85,000 and an interest rate of 5.870%. Lease payments are made quarterly with the last payment scheduled to be made on April 15, 2029. In 2025, the District entered into an installment purchase agreement in the principal amount of \$88,722.50 and an interest rate of 5.200%. Lease payments are made quarterly with the last payment scheduled to be made on April 28, 2028.

Capital Project Plans

The District annually issues serial bonds for buses. The District anticipates issuing \$172,435 serial bonds in late June 2026 for the 2025-2026 purchase of buses. The District additionally anticipates issuing serial bonds in November 2026 for its 2026-27 bus purchase.

On December 8, 2022, the qualified voters of the District approved a proposition authorizing the District to finance the reconstruction and improvement of existing structures, systems or areas at the District's Elementary School, Junior/Senior High School and Bus Garage at a maximum cost of \$28,000,000. The District will finance the project with the expenditure of \$6,000,000 from capital reserve funds, \$400,000 of interest earnings and the issuance of \$21,600,000 of bond anticipation notes and serial bonds. On February 26, 2025, the District issued \$75,000 bond anticipation notes as the first borrowing for the project. Such bond anticipation notes matured on June 26, 2025 and were redeemed in full with budgeted appropriations. On August 19, 2025, the District issued \$15,100,000 bond anticipation notes for the initial financing for the aforementioned project. The proceeds of the Notes will renew, in full, the \$15,100,000 outstanding bond anticipation notes outstanding and maturing on June 24, 2026 and provide \$6,425,000 in new money.

The District has no other authorized and unissued indebtedness for capital or other purposes 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 below of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>District Share</u>	<u>Net Overlapping Indebtedness</u>
Counties of:				
Schenectady	12/31/2024	\$ 65,695,000	4.66%	\$ 3,061,387
Montgomery	12/31/2024	36,408,000	0.51%	185,681
Schoharie	12/31/2024	6,835,000	0.38%	25,973
Albany	12/31/2024	228,760,000	0.03%	68,628
Towns of:				
Duanesburg	12/31/2024	6,312,776	75.75%	4,781,928
Charleston	12/31/2024	100,000	9.37%	9,370
Knox	12/31/2024	-	2.45%	-
Wright	12/31/2024	66,281	7.04%	4,666
Princetown	12/31/2024	1,852,600	0.36%	6,669
Florida	12/31/2024	-	0.56%	-
Schoharie	12/31/2024	16,745	0.11%	18
Village of:				
Delanson	5/31/2025	81,200	100.00%	81,200
			Total:	\$ 8,225,521

⁽¹⁾ 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 applicable exclusions, such as water debt, sewer debt, and budgeted appropriations for the municipalities is not available from the source.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 2, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 30,283,431	\$ 6,472.20	4.65%
Net Indebtedness Plus Gross Overlapping Indebtedness ^(d)	38,508,952	8,230.17	5.92

^(a) The 2024 estimated population of the District is 4,679. (See "THE SCHOOL DISTRICT – District Population" herein.)

^(b) The District's full value of taxable real estate for the District's 2025-2026 tax roll is \$650,670,812. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

^(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.

^(d) The District's applicable share of Gross Overlapping Indebtedness is estimated to be \$8,225,521. (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 Notes 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 Notes 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. The Notes 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. The District failed to make its interest payment due on its \$221,880 School District (Serial) Bonds, 2022 in a timely manner. \$2,863.84 of the \$7,562.59 was paid on the due date of June 15, 2023 and the remaining \$4,698.75 was paid on July 6, 2023 due to an ACH withdrawal request error. The District had funds on hand to make payment and the late payment was not related to a cash flow issue. The District has no reason to believe the oversight will occur again.

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 this 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 Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel, under existing law, interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; provided, however, interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The opinion described above 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. Included among these continuing requirements are certain restrictions on the investment and use of proceeds of the Notes and certain requirements to rebate arbitrage earnings from the investment of proceeds of the Notes to the federal government. Failure to comply with certain of such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to their date of issuance, regardless of when such noncompliance occurs. The District will covenant in its arbitrage and use of proceeds certificate with respect to the Notes to comply with certain procedures and guidelines designed to assure satisfaction of the continuing requirements of the Code.

Bond Counsel is further of the opinion that, under existing law, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

The Notes are NOT being designated by the District as “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Code.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an owner’s federal, state or local tax liability. Prospective purchasers of the Notes should consult their own tax advisors as to any other tax consequences resulting from their ownership or disposition of, or the accrual or receipt of interest on, the Notes. Bond Counsel expresses no opinion regarding any such consequences.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes or the tax consequences of the ownership of the Notes. There can be no assurance that legislation proposed or enacted, clarifications of the Code or court decisions after the date of issuance of the Notes will not have an adverse effect on the tax-exempt status or market price of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes will be covered by the final approving opinion of Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Notes. Such legal opinion will state that, under existing law, (1) the Notes have been duly authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, for the payment of which the District has validly pledged its faith and credit, and all the taxable real property within the boundaries of the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to the rate or amount, subject to applicable statutory limitations, and (2) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; provided, however, interest on the Notes may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations, and 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, and continue to be, excluded from gross income for federal income tax purposes. Such opinion shall also contain further statements to the effect that (a) the rights of the owners of the Notes and the enforceability of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors’ rights generally enacted before or after the date of such opinion, and by equitable principles, whether considered at law or in equity, (b) the scope of its engagement as Bond Counsel in relation to the issuance of the Notes has extended solely to rendering the opinions described herein, and such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of or interest on the Notes as the same respectively become due and payable, and (c) while Bond Counsel has participated in the preparation of this Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained herein, and, accordingly, Bond Counsel expresses no opinion as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect 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 the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchaser(s) 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, the description of which is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

The District has maintained compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The District was four days late in filing the Annual Financial Information and Operating Data (the "AFIOD") for the fiscal year ending June 30, 2022 as required by the continuing disclosure undertaking for the serial bonds issued through the Dormitory Authority of the State of New York in 2018. The AFIOD was due to be filed to the MSRB EMMA System no later than December 27, 2022 (180 days after the fiscal year end) but was not filed until December 31, 2022. A failure to file notice was submitted on January 10, 2023.

Late Interest Payment. The District was late in making an interest payment relating to its \$221,880 School District (Serial) Bonds, 2022. The full payment for interest due in the amount of \$7,562.59 was not made on the due date, June 15, 2023. \$2,863.84 of the total interest owed was paid timely on June 15, 2023. The balance of the interest payment due in the amount of \$4,698.75 was made by the District on July 6, 2023. The District's interest payments are automatically withdrawn by DTC by an ACH debit transaction, however, the full amount due for the June 15th payment was not withdrawn due to an error in the amount of DTC's request. The District had funds on hand to make payment and the missed payment was not related to any cash flow issues.

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 municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal 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 the Municipal Advisor are partially contingent on the successful closing of the Notes.

RATINGS

The Notes are NOT rated. Subject to the approval of the District, the purchaser(s) of the Notes may have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, such as a rating action that may require the filing of a material event notification to EMMA.

Moody's Investors Service, Inc. ("Moody's") has assigned its rating of "Aa3" to the District's outstanding general obligation bonds. This rating reflects only the view of Moody's and an explanation of the significance of such rating may be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

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 rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any

downward revision or withdrawal of the rating of the District's outstanding serial bonds may have an adverse effect on the market price of the outstanding bonds or the issuance of the Notes.

CUSIP IDENTIFICATION NUMBERS

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 this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the 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 District files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words 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.

Walsh Schwartz LLP, Saratoga Springs, New York, Bond Counsel, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in 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 District will furnish a certificate to the effect that as of the date of this Official Statement, this 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 a limitation as to information in this Official Statement obtained from sources other than the District.

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

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The 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.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Mr. Jeffrey Rivenburg, Assistant Superintendent of Management Services, Duaneburg Central School District, 133 School Drive, Delanson, New York 12053; Telephone (518) 895-2279, Email jrivenburg@duaneburg.org.

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

DUANESBURG CENTRAL SCHOOL DISTRICT

Dated: June 2, 2026

MELISSA THEM PETERSON
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 3,738,980	\$ 2,639,909	\$ 2,373,058	\$ 2,585,574	\$ 3,828,489
Restricted Cash	6,181,310	7,428,182	7,967,151	7,268,237	4,331,027
Other Receivables, net	8,552	-	634	23,849	-
State and Federal Aid Receivable	600,693	234,483	603,240	966,709	819,764
Due from Other Governments	281,006	277,983	-	-	-
Due from Other Funds	147,689	356,963	198,196	396,233	284,143
Prepaid expenditures	-	-	-	-	-
Inventories	-	-	-	-	-
TOTAL ASSETS	<u>10,958,230</u>	<u>10,937,520</u>	<u>11,142,279</u>	<u>11,240,602</u>	<u>9,263,423</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 140,380	\$ 126,302	\$ 165,024	\$ 157,937	\$ 156,808
Accrued Liabilities	8,632	21,587	384,001	398,767	405,661
Due to Other Funds	62	40	-	578,959	1,011,805
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	515,433	565,882	622,808	612,349	655,877
Due to Employees' Retirement System	73,799	54,548	57,431	76,104	82,662
Compensated Absences	-	-	-	-	-
Payroll Liabilities	342,866	355,182	-	-	-
Deferred Revenues	-	-	-	-	-
TOTAL LIABILITIES	<u>1,081,172</u>	<u>1,123,541</u>	<u>1,229,264</u>	<u>1,824,116</u>	<u>2,312,813</u>
<u>FUND EQUITY</u>					
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,181,310	7,428,182	7,967,151	7,268,237	4,331,027
Assigned	2,546,097	1,641,797	1,189,230	1,370,529	1,371,575
Unassigned	1,149,651	744,000	756,634	777,720	1,248,008
TOTAL FUND EQUITY	<u>9,877,058</u>	<u>9,813,979</u>	<u>9,913,015</u>	<u>9,416,486</u>	<u>6,950,610</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 10,958,230</u>	<u>\$ 10,937,520</u>	<u>\$ 11,142,279</u>	<u>\$ 11,240,602</u>	<u>\$ 9,263,423</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Real Property Taxes	\$ 7,175,808	\$ 7,384,164	\$ 7,585,953	\$ 8,543,908	\$ 8,055,497
Other Tax Items	903,698	853,163	811,702	-	697,013
Charges for Services	67,343	18,031	191,848	112,659	94,779
Use of Money & Property	10,209	3,640	3,264	269,020	543,592
Sale of Property and Compensation for Loss	26,169	18,977	13,972	26,684	18,539
Miscellaneous	90,798	77,474	392,871	213,169	181,028
Revenues from State Sources	8,270,109	8,306,464	8,298,675	8,620,896	8,952,350
Revenues from Federal Sources	32,323	141,123	44,636	64,849	29,340
Total Revenues	<u>\$ 16,576,457</u>	<u>\$ 16,803,036</u>	<u>\$ 17,342,921</u>	<u>\$ 17,851,185</u>	<u>\$ 18,572,138</u>
Other Sources:					
Interfund Transfers (in)	<u>3,517</u>	<u>3,357</u>	<u>2,621</u>	<u>-</u>	<u>111,056</u>
Total Revenues and Other Sources	<u>16,579,974</u>	<u>16,806,393</u>	<u>17,345,542</u>	<u>17,851,185</u>	<u>18,683,194</u>
EXPENDITURES					
General Support	\$ 1,912,379	\$ 1,828,059	\$ 2,023,342	\$ 2,660,703	\$ 2,245,667
Instruction	7,531,842	7,250,831	7,901,582	8,414,037	8,513,917
Pupil Transportation	850,832	865,138	928,649	1,139,944	1,252,003
Employee Benefits	2,931,868	3,037,769	3,187,514	3,556,676	3,653,272
Debt Service	1,851,751	1,902,442	1,921,867	1,917,218	1,841,775
Total Expenditures	<u>\$ 15,078,672</u>	<u>\$ 14,884,239</u>	<u>\$ 15,962,954</u>	<u>\$ 17,688,578</u>	<u>\$ 17,506,634</u>
Other Uses:					
Interfund Transfers (out)	<u>76,087</u>	<u>85,145</u>	<u>1,445,667</u>	<u>63,571</u>	<u>1,673,089</u>
Total Expenditures and Other Uses	<u>15,154,759</u>	<u>14,969,384</u>	<u>17,408,621</u>	<u>17,752,149</u>	<u>19,179,723</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,425,215</u>	<u>1,837,009</u>	<u>(63,079)</u>	<u>99,036</u>	<u>(496,529)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	6,614,834	8,040,049	9,877,058	9,813,979	9,913,015
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 8,040,049</u>	<u>\$ 9,877,058</u>	<u>\$ 9,813,979</u>	<u>\$ 9,913,015</u>	<u>\$ 9,416,486</u>

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026	2027
	Original Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 8,980,349	\$ 8,349,339	\$ 8,347,923	\$ 9,267,474	\$ 9,536,232
Other Tax Items	-	639,510	644,224	-	-
Charges for Services	-	-	154,736	-	-
Use of Money & Property	-	51,000	396,997	-	-
Sale of Property and Compensation for Loss	-	-	86,065	-	-
Miscellaneous	200,000	140,500	471,889	516,000	532,250
Revenues from State Sources	9,082,096	9,082,096	9,252,974	9,681,116	11,383,153
Revenues from Federal Sources	30,000	30,000	29,591	-	-
Total Revenues	\$ 18,292,445	\$ 18,292,445	\$ 19,384,399	\$ 19,464,590	\$ 21,451,635
Other Sources:					
Fund Balance/Reserves	100,000	-	-	1,221,410	1,546,365
Total Revenues and Other Sources	18,392,445	18,292,445	19,384,399	20,686,000	22,998,000
EXPENDITURES					
General Support	\$ 2,607,464	\$ 2,699,899	\$ 2,204,854	\$ 2,800,460	\$ 3,020,245
Instruction	9,487,772	9,680,996	8,598,072	9,778,063	10,164,066
Pupil Transportation	1,390,099	1,414,141	1,153,617	1,443,409	1,556,861
Employee Benefits	4,003,115	3,835,013	3,519,157	4,212,701	4,398,328
Debt Service	1,894,550	1,972,925	1,962,230	2,386,367	3,793,500
Total Expenditures	\$ 19,383,000	\$ 19,602,974	\$ 17,437,930	\$ 20,621,000	\$ 22,933,000
Other Uses:					
Interfund Transfers (out)	60,000	4,460,000	4,412,345	65,000	65,000
Total Expenditures and Other Uses	19,443,000	24,062,974	21,850,275	20,686,000	22,998,000
Excess (Deficit) Revenues Over Expenditures	(1,050,555)	(5,770,529)	(2,465,876)	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	1,050,555	5,770,529	9,416,486	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ 6,950,610	\$ -	\$ -

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 1,178,431	\$ 429,953	\$ 1,608,384
2027	1,165,000	375,309	1,540,309
2028	1,160,000	319,112	1,479,112
2029	1,155,000	262,406	1,417,406
2030	1,090,000	206,531	1,296,531
2031	1,065,000	152,500	1,217,500
2032	1,120,000	99,250	1,219,250
2033	865,000	43,250	908,250
TOTALS	\$ 8,798,431	\$ 1,888,311	\$ 10,686,742

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	2022 Buses			2013 Capital Project & Buses			2018 Refunding of 2002B, 2005 & 2007		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 45,000	\$ 3,150	\$ 48,150	\$ 40,000	\$ 7,100	\$ 47,100	\$ 835,000	\$ 383,000	\$ 1,218,000
2027	45,000	1,575	46,575	40,000	5,150	45,150	880,000	341,250	1,221,250
2028	-	-	-	40,000	3,125	43,125	915,000	297,250	1,212,250
2029	-	-	-	40,000	1,050	41,050	965,000	251,500	1,216,500
2030	-	-	-	-	-	-	1,015,000	203,250	1,218,250
2031	-	-	-	-	-	-	1,065,000	152,500	1,217,500
2032	-	-	-	-	-	-	1,120,000	99,250	1,219,250
2033	-	-	-	-	-	-	865,000	43,250	908,250
TOTALS	\$ 90,000	\$ 4,725	\$ 94,725	\$ 160,000	\$ 16,425	\$ 176,425	\$ 7,660,000	\$ 1,771,250	\$ 9,431,250

Fiscal Year Ending June 30th	2021 Buses		
	Principal	Interest	Total
2026	\$ 60,000	\$ 978	\$ 60,978
TOTALS	\$ 60,000	\$ 978	\$ 60,978

Fiscal Year Ending June 30th	2025 Buses			2024 Buses			2023 Buses		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 63,431	\$ 14,397	\$ 77,828	\$ 75,000	\$ 13,725	\$ 88,725	\$ 60,000	\$ 7,603	\$ 67,603
2027	65,000	11,781	76,781	75,000	10,350	85,350	60,000	5,203	65,203
2028	65,000	9,019	74,019	75,000	6,975	81,975	65,000	2,743	67,743
2029	70,000	6,256	76,256	80,000	3,600	83,600	-	-	-
2030	75,000	3,281	78,281	-	-	-	-	-	-
TOTALS	\$ 338,431	\$ 44,734	\$ 383,165	\$ 305,000	\$ 34,650	\$ 256,050	\$ 185,000	\$ 15,549	\$ 200,549

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 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 Notes, 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 Notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of Noteholders, if material;
- (h) Bond or note calls, if material and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the District;
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the 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" (as defined by the Rule) 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 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), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the 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 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 District.

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 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 District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforescribed material event notices, if any, on or before the date specified.

The District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The 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 District’s obligations under its material event notices undertaking and any failure by the 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 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 District; provided that the 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.

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DUANESBURG CENTRAL SCHOOL DISTRICT
SCHENECTADY, ALBANY, MONTGOMERY, AND SCHOHARIE COUNTIES, 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.

DUANESBURG CENTRAL SCHOOL DISTRICT

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES**

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Duanesburg 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 13 and 50 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The supplementary information on pages 55 through 57 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 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.

WEST & COMPANY CPAs PC

Gloversville, New York
October 7, 2025

DUANESBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

The following is a narrative overview and analysis of the financial activities of the Duanesburg Central School District (District) for the fiscal year ended June 30, 2025. This discussion is intended to serve as an introduction to the District's basic financial statements, which immediately follow this section. The basic financial statements have the following components: (1) management's discussion and analysis (MD&A), (2) District-wide financial statements, (3) fund financial statements and (4) notes to the financial statements.

FINANCIAL HIGHLIGHTS

- Net position increased from \$(9,881,849) to \$10,924,524 an increase of \$20,806,373 in the District-wide financial statements.
- As of the close of this fiscal year, the District's governmental funds reported combined fund balances of \$8,756,078, a decrease of \$1,930,366 in comparison with the prior year.
- The District appropriated \$1,221,410 of the fund balance for subsequent year's expenditures. The Board of Education and District Administrators recognize the probability of difficult budget cycles for the next few years. We continue to be conservative in our expenditures and planning while preserving an excellent academic program for our students. Our planning includes understanding and balancing taxpayer burden and the responsible use of our Reserve Funds. This ensures the District's long-term financial viability and ability to respond to emergencies.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as instruction, special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarships and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any), both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax base and the condition of buildings and other facilities should be considered.

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as federal grants).

The District has two kinds of funds:

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

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2

Condensed Statement of Net Position

	Fiscal Year 2025	Fiscal Year 2024	Percentage Change (Incr.;-Decr.)
Assets			
Current and other assets	\$ 10,886,572	\$ 11,969,501	-9.0%
Capital assets - net	33,960,358	29,957,249	13.4%
Total Assets	44,846,930	41,926,750	7.0%
Deferred Outflows of Resources			
Other post-employment benefits	2,372,838	4,596,197	-48.4%
Pensions	2,462,869	2,917,335	-15.6%
Total Deferred Outflows of Resources	4,835,707	7,513,532	-35.6%
Liabilities			
Current liabilities	2,947,805	2,715,179	8.6%
Long-term liabilities	25,468,777	45,230,012	-43.7%
Total Liabilities	28,416,582	47,945,191	-40.7%
Deferred Inflows of Resources			
Other post-employment benefits	9,301,727	8,455,583	10.0%
Pensions	1,039,804	568,833	82.8%
Total Deferred Inflows of Resources	10,341,531	9,024,416	14.6%
Net Position			
Net investment in capital assets	24,881,927	19,813,897	25.6%
Restricted	4,905,914	7,817,779	-37.2%
Unrestricted	(18,863,317)	(35,161,001)	46.4%
Total Net Position	\$ 10,924,524	\$ (7,529,325)	245.1%

Changes in Net Position

The School District's 2025 revenue was \$21,015,104 (see Table A-3). Real property taxes and New York State aid accounted for the majority of revenue by contributing 42.8% and 44.5%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled \$208,731 for 2025. These expenses are predominantly for the education, supervision and transportation of students. The School District's administrative, occupancy and business activities accounted for 20% of total costs.

Net position increased during the year by \$20,806,373.

Table A-3

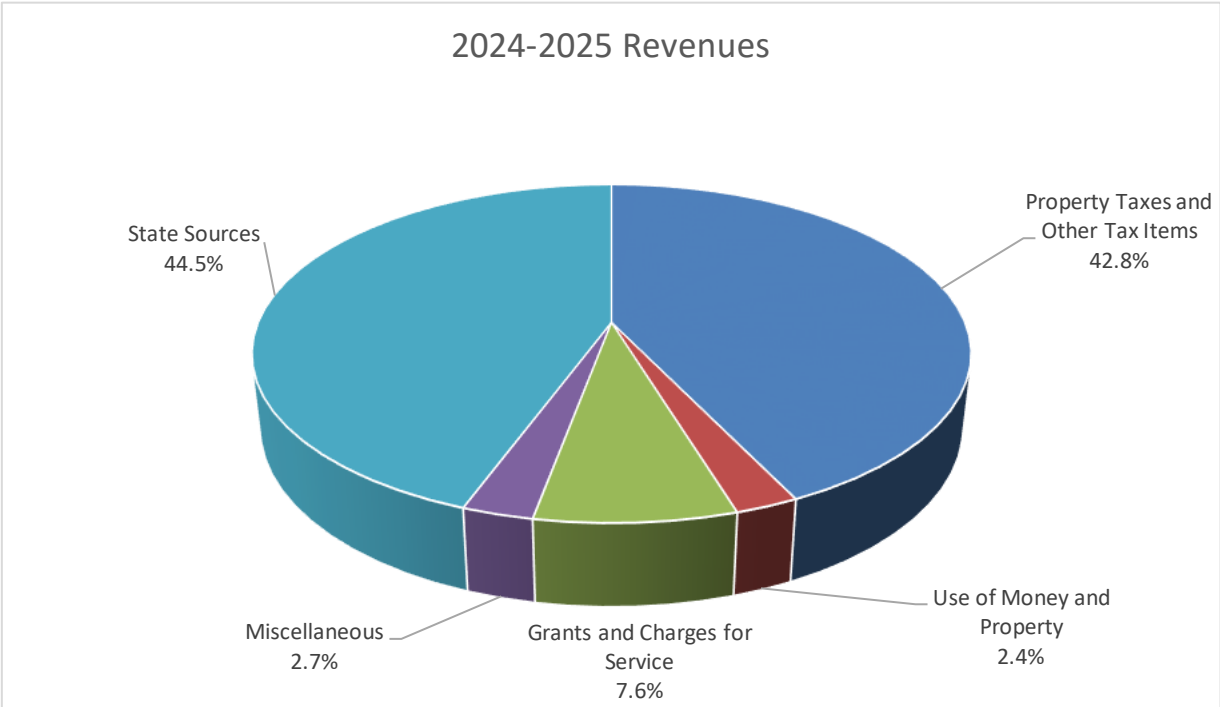
Changes in Net Position from Operating Results

	Fiscal Year 2025	Fiscal Year 2024	Percentage Change (Incr.;-Decr.)
Revenues			
Program Revenues			
Charges for services	\$ 186,623	\$ 190,653	-2.1%
Operating grants and contributions	1,417,983	1,282,678	10.5%
General Revenues			
Property taxes	8,992,147	8,752,510	2.7%
State formula aid	9,311,159	8,952,350	4.0%
Federal sources	29,591	29,340	0.9%
Use of money and property	422,342	544,793	-22.5%
Sale of property and compensation for loss	86,065	18,539	364.2%
Miscellaneous	569,194	282,422	101.5%
Total Revenues	21,015,104	20,053,285	4.8%
Expenses			
General support	42,121	3,617,486	-98.8%
Instruction	(445,687)	14,799,528	-103.0%
Transportation	(19,926)	1,952,856	-101.0%
Debt service	480,562	522,410	-8.0%
Cost of sales – Lunch Program	151,661	558,901	-72.9%
Total Expenses	208,731	21,451,181	-99.0%
Total Increase (Decrease) in Net Position	\$ 20,806,373	\$ (1,397,896)	1588.4%

Explanation of Expenses

During the 2024–2025 fiscal year, reported expenses are presented in accordance with applicable laws and accounting standards. However, the General Fund expenditures may appear understated due to a significant reduction in liabilities associated with post-employment benefits, as outlined in GASB Statement No. 75. This reduction is primarily attributable to the District's strategic decision to transition retirees to a Medicare Advantage Plan, replacing the previously offered higher-cost PPO plan. While this change reflects a fiscally responsible approach, it has resulted in the appearance that only \$208,731 was expended, despite actual operational costs being substantially higher during the fiscal year.

REVENUES – TABLE A-4



Governmental Activities

Revenue for the School District's governmental activities totaled \$21,015,104 while total expenses were \$208,731. Net position increased by \$20,806,373.

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

Table A-6

Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change (Incr.; -Decr.)	Net Cost of Services		Percentage Change (Incr.; -Decr.)
	2025	2024		2025	2024	
General support	\$ 42,121	\$ 3,617,486	-98.8%	\$ 42,121	\$ 3,617,486	-98.8%
Instruction	(445,687)	14,799,528	-103.0%	(1,554,956)	13,789,516	-111.3%
Pupil transportation	(19,926)	1,952,856	-101.0%	(19,926)	1,952,856	-101.0%
Debt service - interest	480,562	522,410	-8.0%	480,562	522,410	-8.0%
Cost of sales - lunch program	151,661	558,901	-72.9%	(343,676)	95,582	-459.6%
Totals	<u>\$ 208,731</u>	<u>\$ 21,451,181</u>		<u>\$ (1,395,875)</u>	<u>\$ 19,977,850</u>	

- The cost of all governmental activities for the year was \$208,731.
- The users of the School District's programs financed \$186,623 of the costs.
- The federal and state government grants financed \$1,417,983.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

General Fund Budgetary Highlights

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

Results vs. Budget

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local sources	\$ 9,180,349	\$ 9,180,349	\$ 10,101,834	\$ 921,485
State sources	9,082,096	9,082,096	9,252,974	170,878
Federal sources	30,000	30,000	29,591	(409)
Totals	<u>18,292,445</u>	<u>18,292,445</u>	<u>19,384,399</u>	<u>1,091,954</u>
Expenses:				
General support	2,607,464	2,699,899	2,204,854	495,045
Instruction	9,487,772	9,680,996	8,598,072	1,082,924
Transportation	1,390,099	1,414,141	1,153,617	260,524
Employee benefits	4,003,115	3,835,013	3,519,157	315,856
Debt service	1,894,550	1,972,925	1,962,230	10,695
Other uses	60,000	4,460,000	4,412,345	47,655
Totals	<u>19,443,000</u>	<u>24,062,974</u>	<u>21,850,275</u>	<u>2,212,699</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ (1,150,555)</u>	<u>\$ (5,770,529)</u>	(2,465,876)	<u>\$ 3,304,653</u>
			Beginning fund balance	9,416,486
			Outstanding encumbrances	(150,165)
			Appropriated against current tax levy	(1,221,410)
			School District restricted:	
			Property loss	(70,373)
			Capital reserve	(1,884,515)
			Retirement contributions - TRS	(460,604)
			Retirement contributions - ERS	(1,176,676)
			Unemployment insurance	(204,051)
			Insurance reserve	(114,824)
			Repair reserve	(300,000)
			Employee benefit accrued liability	(35,073)
			Workers comp	(84,911)
			Ending unassigned fund balance	<u>\$ 1,248,008</u>

No other variances are reflected in the governmental funds financial statements for 2025.

The General Fund is the only fund for which a budget is legally adopted.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had \$33,960,358 (net of depreciation) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (Net of Depreciation)

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>
Land	\$ 9,000	\$ 9,000
Construction in progress	6,077,866	2,024,848
Buildings, furniture and equipment	<u>27,873,492</u>	<u>27,923,401</u>
Totals	<u><u>\$ 33,960,358</u></u>	<u><u>\$ 29,957,249</u></u>

Long-Term Debt

As of June 30, 2025, the School District had \$26,240,141 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding Long-Term Debt

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>
General obligation bonds (financed with property taxes)	\$ 9,078,431	\$ 10,143,352
Other debt	<u>17,161,710</u>	<u>37,748,744</u>
Totals	<u><u>\$ 26,240,141</u></u>	<u><u>\$ 47,892,096</u></u>

During 2025, the School District issued \$338,431 of debt and paid \$1,403,352 of outstanding bond principal payments. Other debt represents compensated absences and other post-employment benefits, and decreased primarily due to GASB 75.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

Financial Analysis

- The District's financial position improved modestly, primarily due to the one-time revenues from the insurance settlement and investment earnings.
- Financial pressures persist, particularly in staffing. Wage adjustments were made to remain competitive and retain qualified personnel, ensuring continued quality in education and services.
- The District remains vigilant in monitoring economic conditions, as market volatility poses challenges for future budgeting and long-term planning.
- The District maintained fiscal responsibility by implementing moderate tax levy increases and remaining compliant with the Property Tax Cap Law (Chapter 97 of the Laws of 2011).

Budgetary Highlights

- The final budget closely aligned with the original, reflecting disciplined and conservative financial planning.
- Actual revenues exceeded expectations due to the unanticipated settlement and investment income.
- Expenditures were effectively managed and remained within budgeted limits, supporting fiscal stability.
- The District continues to prioritize long-term sustainability while maintaining current service levels.

Currently Known Facts and Future Outlook

- Market volatility and economic uncertainty may impact future investment income and state aid.
- Strategic planning remains essential to avoid potential reductions in elective and advanced academic programs.
- The District is committed to maintaining high-quality educational opportunities while preparing for future financial challenges.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT TEAM

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

Duanesburg Central School District
133 School Drive
Delanson, New York 12053

DUANESBURG CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS

Cash	
Unrestricted	\$ 4,005,940
Restricted	4,905,914
Receivables	
State and Federal aid	1,141,759
Inventories	9,387
Net pension asset - proportionate share	823,572
Capital assets, net of depreciation	33,960,358
Total Assets	<u>44,846,930</u>

DEFERRED OUTFLOWS OF RESOURCES

Other post-employment benefits	2,372,838
Pensions	2,462,869
Total Deferred Outflows of Resources	<u>4,835,707</u>

LIABILITIES

Payables	
Accounts payable	156,830
Accrued liabilities	434,517
Due to other governments	51
Long-term liabilities	
Due and payable within one year	
Due to Teachers' Retirement System	655,877
Due to Employees' Retirement System	85,201
Compensated absences payable	156,898
Bonds payable	1,458,431
Due and payable after one year	
Bonds payable	7,620,000
Other post-employment benefits	14,546,745
Net pension liability - proportionate share	843,965
Compensated absences payable	2,458,067
Total Liabilities	<u>28,416,582</u>

DEFERRED INFLOWS OF RESOURCES

Other post-employment benefits	9,301,727
Pensions	1,039,804
Total Deferred Inflows of Resources	<u>10,341,531</u>

NET POSITION

Net investment in capital assets		24,881,927
Restricted		
Unemployment insurance reserve	204,051	
Retirement contribution reserve - TRS	460,604	
Capital reserve	1,884,515	
Workers comp reserve	84,911	
Retirement contribution reserve - ERS	1,176,676	
Property loss reserve	70,373	
Insurance reserve	114,824	
Reserve for debt service	574,887	
Repair reserve	300,000	
Employee benefit accrued liability reserve	35,073	
Unrestricted	(18,863,317)	
Total Net Position	<u>\$ 10,924,524</u>	

See notes to basic financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	<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</u>	
FUNCTIONS/PROGRAMS				
General support	\$ 42,121	\$ 0	\$ 0	\$ (42,121)
Instruction	(445,687)	(154,736)	(954,533)	1,554,956
Pupil transportation	(19,926)	0	0	19,926
Debt service	480,562	0	0	(480,562)
School lunch program	151,661	(31,887)	(463,450)	343,676
Total Functions and Programs	<u>\$ 208,731</u>	<u>\$ (186,623)</u>	<u>\$ (1,417,983)</u>	<u>1,395,875</u>
GENERAL REVENUES				
Real property taxes				8,347,923
Other tax items				644,224
Use of money and property				422,342
Sale of property and compensation for loss				86,065
Miscellaneous				569,194
State sources				9,311,159
Federal sources				29,591
Total General Revenues				<u>19,410,498</u>
CHANGE IN NET POSITION				20,806,373
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED				<u>(9,881,849)</u>
TOTAL NET POSITION - END OF YEAR				<u>\$ 10,924,524</u>

See notes to basic financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2025

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>CM Misc. Special Revenue</u>	<u>Capital</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash							
Unrestricted	\$ 3,828,489	\$ 0	\$ 8,154	\$ 169,186	\$ 111	\$ 0	\$ 4,005,940
Restricted	4,331,027	0	0	0	0	574,887	4,905,914
Due from other funds	284,143	0	0	0	1,011,805	0	1,295,948
State and Federal aid	819,764	267,581	54,414	0	0	0	1,141,759
Inventories	0	0	9,387	0	0	0	9,387
TOTAL ASSETS	\$ 9,263,423	\$ 267,581	\$ 71,955	\$ 169,186	\$ 1,011,916	\$ 574,887	\$ 11,358,948
LIABILITIES							
Accounts payable	\$ 156,808	\$ 0	\$ 0	\$ 22	\$ 0	\$ 0	\$ 156,830
Accrued liabilities	405,661	0	3,302	0	0	0	408,963
Due to other funds	1,011,805	267,581	0	0	16,562	0	1,295,948
Due to other governments	0	0	51	0	0	0	51
Due to Employees' Retirement System	82,662	0	2,539	0	0	0	85,201
Due to Teachers' Retirement System	655,877	0	0	0	0	0	655,877
Total Liabilities	2,312,813	267,581	5,892	22	16,562	0	2,602,870
FUND BALANCE							
Nonspendable							
Inventory	0	0	9,387	0	0	0	9,387
Restricted							
Unemployment insurance reserve	204,051	0	0	0	0	0	204,051
Retirement contribution reserve - TRS	460,604	0	0	0	0	0	460,604
Capital reserve	1,884,515	0	0	0	0	0	1,884,515
Workers comp reserve	84,911	0	0	0	0	0	84,911
Retirement contribution reserve - ERS	1,176,676	0	0	0	0	0	1,176,676
Property loss reserve	70,373	0	0	0	0	0	70,373
Insurance reserve	114,824	0	0	0	0	0	114,824
Repair reserve	300,000	0	0	0	0	0	300,000
Employee benefit accrued liability reserve	35,073	0	0	0	0	0	35,073
Reserve for debt service	0	0	0	0	0	574,887	574,887
Assigned	1,371,575	0	56,676	169,164	995,354	0	2,592,769
Unassigned	1,248,008	0	0	0	0	0	1,248,008
Total Fund Balance	6,950,610	0	66,063	169,164	995,354	574,887	8,756,078
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,263,423	\$ 267,581	\$ 71,955	\$ 169,186	\$ 1,011,916	\$ 574,887	\$ 11,358,948

See notes to basic financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

Total balance - governmental funds balance sheet (page 16)	\$ 8,756,078
Add:	
Land, building and equipment, net of accumulated depreciation	33,960,358
Pensions	1,402,672
Total	35,363,030
Deduct:	
Accrued interest	25,554
Compensated absences	2,614,965
Other post-employment benefits	21,475,634
Long and short-term bonds payable	9,078,431
Total	33,194,584
NET POSITION, GOVERNMENTAL ACTIVITIES	\$ 10,924,524

See notes to basic financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Lunch	CM Misc. Special Revenue	Capital	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	\$ 8,347,923	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,347,923
Other tax items	644,224	0	0	0	0	0	644,224
Charges for services	154,736	0	0	0	0	0	154,736
Use of money and property	396,997	0	0	0	0	25,345	422,342
Sale of property and compensation for loss	86,065	0	0	0	0	0	86,065
Miscellaneous	471,889	0	2,858	94,447	0	0	569,194
State sources	9,252,974	297,060	261,289	0	58,185	0	9,869,508
Federal sources	29,591	657,473	190,735	0	0	0	877,799
Surplus food	0	0	11,426	0	0	0	11,426
Sales - school lunch	0	0	31,887	0	0	0	31,887
Total Revenues	19,384,399	954,533	498,195	94,447	58,185	25,345	21,015,104
EXPENDITURES							
General support	2,204,854	0	0	78,683	0	0	2,283,537
Instruction	8,598,072	856,070	0	0	0	0	9,454,142
Pupil transportation	1,153,617	48,034	0	0	0	0	1,201,651
Employee benefits	3,519,157	62,774	24,468	0	0	0	3,606,399
Debt service							
Principal	1,478,352	0	0	0	0	0	1,478,352
Interest	483,878	0	0	0	0	0	483,878
Cost of sales	0	0	459,493	0	0	0	459,493
Capital outlay	0	0	0	0	4,391,449	0	4,391,449
Total Expenditures	17,437,930	966,878	483,961	78,683	4,391,449	0	23,358,901
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,946,469	(12,345)	14,234	15,764	(4,333,264)	25,345	(2,343,797)
OTHER FINANCING SOURCES AND USES							
Proceeds of serial bonds	0	0	0	0	338,431	0	338,431
BANs redeemed from appropriations	0	0	0	0	75,000	0	75,000
Operating transfers in	0	12,345	0	0	4,400,000	0	4,412,345
Operating transfers (out)	(4,412,345)	0	0	0	0	0	(4,412,345)
Total Other Financing Sources (Uses)	(4,412,345)	12,345	0	0	4,813,431	0	413,431
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	(2,465,876)	0	14,234	15,764	480,167	25,345	(1,930,366)
FUND BALANCE - BEGINNING OF YEAR	9,416,486	0	51,829	153,400	515,187	549,542	10,686,444
FUND BALANCE - END OF YEAR	\$ 6,950,610	\$ 0	\$ 66,063	\$ 169,164	\$ 995,354	\$ 574,887	\$ 8,756,078

See notes to basic financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2025

REVENUES - STATEMENT OF ACTIVITIES		\$ 21,015,104
EXPENDITURES	23,358,901	
Add:		
Depreciation	1,144,350	
Increase in compensated absences	243,875	
	<u>1,388,225</u>	
Deduct:		
Fixed assets additions	5,147,459	
Decrease in accrued interest	3,316	
Other post-employment benefits	17,761,406	
Pensions	147,862	
Principal payments of long-term debt	1,478,352	
	<u>24,538,395</u>	
EXPENDITURES - STATEMENT OF ACTIVITIES		<u>208,731</u>
CHANGE IN NET POSITION		<u>\$ 20,806,373</u>

See notes to basic financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 36,213
Total Assets	<u>\$ 36,213</u>
NET POSITION	
Reserved for extraclassroom activity	<u>\$ 36,213</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

ADDITIONS	
Extraclassroom receipts	<u>\$ 33,909</u>
Total Additions	33,909
DEDUCTIONS	
Extraclassroom disbursements	<u>31,360</u>
Total Deductions	<u>31,360</u>
CHANGE IN NET POSITION	2,549
NET POSITION - BEGINNING OF YEAR	<u>33,664</u>
NET POSITION - END OF YEAR	<u>\$ 36,213</u>

See notes to basic financial statements

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A) Reporting Entity

The Duanesburg Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls, all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management and primary accountability for all fiscal matters.

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

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

i) 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. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for these funds in the Custodial Fund.

B) Joint Venture

The District is one of 23 component districts in the Capital District Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

B) Joint Venture – (Continued)

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

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

During the year, the District was billed \$2,078,942 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued no serial bonds on behalf of BOCES. As of year-end, the District had no outstanding BOCES debt.

The District's share of BOCES aid amounted to \$842,635.

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

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.

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

C) Basis of Presentation – (Continued)

ii) Funds Statements

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

The District reports the following major governmental funds:

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

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

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

Capital Projects Fund – These funds are used to account for the financial resources used for acquisition, construction or major repair of capital facilities.

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

Debt Service Fund – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligation 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 the related bonds outstanding.

The District reports the following fiduciary fund:

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

D) Measurement Focus and Basis of Accounting

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

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 as it matches the liquidation of related obligations.

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

E) Property Taxes

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

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

F) Restricted Resources

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

G) Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

G) Interfund Transactions – (Continued)

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

H) Estimates

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

I) Cash (and Cash Equivalents)/Investments

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

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

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

J) Accounts Receivable

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

K) Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

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

L) Capital Assets

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on direct costing, standard costing or normal costing methods, were used. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 5,000	Straight-line	15-50
Furniture and equipment	5,000	Straight-line	5-15
Vehicles	5,000	Straight-line	8

M) Deferred Outflows and Inflows of Resources

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

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

At June 30, 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 pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
District's proportionate share of the net pension asset (liability)	\$ (843,965)	\$ 823,572
District's portion of the Plan's total net pension asset (liability)	0.0049223%	0.027603%
Change in proportion since the prior measurement date	(0.000278)%	(0.001079)%

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

For the year ended June 30, 2025, the District recognized its proportionate share of pension expense of \$184,741 for ERS and \$452,982 for TRS. At June 30, 2025, the District’s reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 209,478	\$ 886,836	\$ 9,881	\$ 0
Changes of assumptions	35,394	492,663	0	82,871
Net difference between projected and actual earnings on pension plan investments	66,215	0	0	915,059
Changes in proportion and differences between the District's contributions and proportionate share of contributions	74,206	72,131	28,698	3,295
District's contributions subsequent to the measurement date	85,201	540,745	0	0
Total	\$ 470,494	\$ 1,992,375	\$ 38,579	\$ 1,001,225

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

	ERS	TRS
Year ended:		
2026	\$ 166,934	\$ 1,025,943
2027	231,537	(150,938)
2028	(62,565)	(177,966)
2029	10,808	114,273
2030	0	46,061
Thereafter	0	0

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

Actuarial Assumptions

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

	<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	5.9%	6.95%
Salary scale	4.3%	1.95 – 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 Systems experience	July 1, 2015 - June 30, 2020 Systems experience
Inflation rate	2.9%	2.4%
Projected cost of living adjustments	1.5%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 through March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 through June 30, 2020 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 through March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

Actuarial Assumptions – (Continued)

Measurement date	<u>ERS</u> March 31, 2025	<u>TRS</u> June 30, 2024
<u>Asset type</u>		
Domestic equity	3.54%	6.60%
International equity	6.57	7.40
Global equities	0	6.90
Real estate	4.95	6.30
Domestic fixed income securities	0	2.60
Global bonds	0	2.50
High-yield bonds	0	4.80
Real estate debt	0	3.90
Private debt	0	5.90
Fixed income	2.00	0
Credit	5.40	0
Private equity/alternative investments	7.25	10.00
Opportunistic/ARS portfolio	5.25	0
Cash	0.25	0.50
Real assets	5.55	0

Discount Rate

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

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

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
<u>ERS</u> District's proportionate share of the net pension asset (liability)	\$ (2,442,542)	\$ (843,965)	\$ 490,847
	<u>1% Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
<u>TRS</u> District's proportionate share of the net pension asset (liability)	\$ (3,804,128)	\$ 823,572	\$ 4,715,593

Pension Plan Fiduciary Net Position

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

	(Dollars in thousands)		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Measurement date	March 31, 2025	June 30, 2024	
Employers' total pension asset (liability)	\$(247,600,239)	\$(142,837,826)	\$(390,438,065)
Plan fiduciary net position asset (liability)	230,454,512	145,821,435	376,275,947
Employers' net pension asset (liability)	(17,145,727)	2,983,609	(14,162,118)
 Ratio of plan fiduciary net position to the employers' total pension asset (liability)	 93.08%	 102.1%	 96.37%

Payables to the Pension Plans

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 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 \$85,201.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

Payables to the Pension Plans – (Continued)

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 amount to \$655,877.

Additional pension information can be found in Note 8.

N) Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized. The District had no unearned revenue at June 30, 2025.

O) Vested Employee Benefits

Compensated Absences

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

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

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

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

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

P) Other Benefits

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

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

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

Q) Short-Term Debt

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

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

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. 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.

The District had no short-term debt as of June 30, 2025.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

R) Accrued Liabilities and Long-Term Obligations

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

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

S) Equity Classifications

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

i) Net Investment in Capital Assets

Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of \$9,387.

2. Restricted

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

S) **Equity Classifications – (Continued)**

Funds Statements – (Continued)

2. **Restricted – (Continued)**

The School District has established the following restricted fund balances:

Currently Utilized by the District:

Employee Benefit Accrued Liability

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

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund under Restricted Fund Balance.

Retirement Contributions

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

Unemployment Insurance

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

S) **Equity Classifications – (Continued)**

Funds Statements – (Continued)

2. **Restricted – (Continued)**

Currently Utilized by the District: – (Continued)

Capital

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. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Property Loss and Liability Reserve

According to Education Law 1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Workers' Compensation

According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Insurance

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

S) **Equity Classifications – (Continued)**

Funds Statements – (Continued)

2. **Restricted – (Continued)**

Currently Utilized by the District: – (Continued)

Repair Reserve

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

3. **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 School District has no committed fund balances as of June 30, 2025.

4. **Assigned**

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

5. **Unassigned**

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

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

S) Equity Classifications – (Continued)

Order of Use of Fund Balance

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

T) 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 standards issued by GASB:

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

U) Future Changes in Accounting Standards

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

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

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

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

Due to the differences in the measurement focus and basis of accounting used in the 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 District-wide statements compared with the current financial resources focus of the governmental funds.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

Total fund balance of the District’s governmental funds differs from “net position” of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories, described as follows:

i) Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

ii) Capital Related Differences

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

iii) Long-Term Debt Transaction Differences

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

iv) Pension Differences

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

v) OPEB Differences

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Procedures and Budgetary Accounting

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted.

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them, because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

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

Encumbrances

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

Excess Fund Balance – Real Property Tax Law Limit

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

Uncollateralized	\$	0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District’s name		1,219,005

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$4,905,914 within the governmental funds and \$36,213 in fiduciary funds.

NOTE 5 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 9,000	\$ 0	\$ 0	\$ 9,000
Construction in process	2,024,848	4,053,018	0	6,077,866
Total nondepreciable historical cost	<u>2,033,848</u>	<u>4,053,018</u>	<u>0</u>	<u>6,086,866</u>
Capital assets that are depreciated:				
Building and improvements	35,100,633	0	0	35,100,633
Furniture and equipment	5,740,871	1,112,792	33,837	6,819,826
Total depreciable historical cost	<u>40,841,504</u>	<u>1,112,792</u>	<u>33,837</u>	<u>41,920,459</u>
Less accumulated depreciation:				
Buildings, furniture and equipment	12,918,103	1,144,350	15,486	14,046,967
Total accumulated depreciation	<u>12,918,103</u>	<u>1,144,350</u>	<u>15,486</u>	<u>14,046,967</u>
Net depreciable historical cost	<u>27,923,401</u>	<u>(31,558)</u>	<u>18,351</u>	<u>27,873,492</u>
Total historical cost, net	<u>\$ 29,957,249</u>	<u>\$ 4,021,460</u>	<u>\$ 18,351</u>	<u>\$ 33,960,358</u>
Depreciation was allocated to the following programs as follows:				
General support		\$ 189,074		
Instruction		810,729		
Pupil transportation		103,046		
School lunch program		41,501		
Total		<u>\$ 1,144,350</u>		

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 – LONG-TERM DEBT

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

Interest paid	\$ 483,878
Less interest accrued in the prior year	(28,870)
Plus interest accrued in the current year	<u>25,554</u>
Total expense	<u><u>\$ 480,562</u></u>

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Serial bond payable	\$ 10,143,352	\$ 338,431	\$ 1,403,352	\$ 9,078,431	\$ 1,458,431
Other liabilities:					
Other post-employment benefits	35,377,654	0	20,830,909	14,546,745	0
Compensated absences, net	<u>2,371,090</u>	<u>243,875</u>	<u>0</u>	<u>2,614,965</u>	<u>156,898</u>
Total other liabilities	<u>37,748,744</u>	<u>243,875</u>	<u>20,830,909</u>	<u>17,161,710</u>	<u>156,898</u>
TOTAL LONG-TERM LIABILITIES	<u><u>\$ 47,892,096</u></u>	<u><u>\$ 582,306</u></u>	<u><u>\$ 22,234,261</u></u>	<u><u>\$ 26,240,141</u></u>	<u><u>\$ 1,615,329</u></u>

The General Fund has typically been used to liquidate long-term liabilities such as termination incentive and compensated absences.

The current portion (amount due within one year) of other post-employment benefits as of June 30, 2025, was not determinable.

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

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2025</u>
Serial Bond - Buses	2025	2030	4.25-4.375%	\$ 338,431
Serial Bond - Construction	2014	2028	3.50-5.25%	160,000
Serial Bond - Construction	2018	2033	5.00%	7,660,000
Serial Bond - Buses	2021	2026	1.30%	60,000
Serial Bond - Buses	2022	2027	3.25-3.50%	90,000
Serial Bond - Advance Refunding	2012	2026	2.0-4.0%	280,000
Serial Bond - Buses	2023	2028	3.99%	185,000
Serial Bond - Buses	2024	2029	4.25%	<u>305,000</u>
TOTALS				<u><u>\$ 9,078,431</u></u>

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 – LONG-TERM DEBT – (CONTINUED)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2026	\$ 1,458,431	\$ 435,553	\$ 1,893,984
2027	1,165,000	375,309	1,540,309
2028	1,160,000	319,112	1,479,112
2029	1,155,000	262,406	1,417,406
2030	1,090,000	206,531	1,296,531
2031 - 2033	3,050,000	295,000	3,345,000
TOTALS	\$ 9,078,431	\$ 1,893,911	\$ 10,972,342

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

NOTE 7 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 284,143	\$ 1,011,805	\$ 0	\$ 4,412,345
Special Aid Fund	0	267,581	12,345	0
Capital Projects Fund	1,011,805	16,562	4,400,000	0
Total Governmental Activities	1,295,948	1,295,948	4,412,345	4,412,345
Custodial Fund	0	0	0	0
TOTALS	\$ 1,295,948	\$ 1,295,948	\$ 4,412,345	\$ 4,412,345

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

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

All interfund payables are expected to be repaid within one year.

NOTE 8 – PENSION PLANS

General Information

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – PENSION PLANS – (CONTINUED)

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

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

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. 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. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – PENSION PLANS – (CONTINUED)

Plan Descriptions and Benefits Provided: – (Continued)

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

	<u>NYSTRS</u>	<u>NYSERS</u>
2025	\$ 540,745	\$ 282,986
2024	518,216	243,630
2023	543,122	184,581

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

Additional pension information can be found in Note 1 M.

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

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

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 retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits Provided

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	92
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>137</u>
Total	<u>229</u>

Net OPEB Liability:

The District's total OPEB liability of \$14,546,745 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6%
Salary Increases	Vary by pension retirement system
Discount Rate	4.81%
Healthcare Cost Trend Rates	6.75% for 2024, decreasing to an ultimate rate of 4.04% for 2075.

The discount rate was based on the S&P Municipal Bond 20-year high grade index.

Mortality rates were based on the Pub-2010 Headcount-Weighted table and projected fully generationally using MP-2021.

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Changes in the Total OPEB Liability:

Balance at June 30, 2024	\$ 35,377,654
Changes for the year:	
Service cost	1,322,049
Interest	1,530,704
Changes in benefit terms	(19,639,107)
Differences between expected and actual experience	(2,119,653)
Changes in assumptions or other inputs	(1,235,928)
Benefit payments	<u>(688,974)</u>
Net changes	<u>(20,830,909)</u>
Balance at June 30, 2025	\$ <u>14,546,745</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 4.21% in 2024 to 4.81% in 2025. Medical and prescription drug trend rates have been updated based on the 2024 Getzen model.

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

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 16,735,863	\$ 14,546,745	\$ 12,765,580

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

The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.04%) or 1 percentage point higher (7.75% decreasing to 5.04%) than the current healthcare cost trend rate:

	<u>1% Decrease</u> <u>(5.75%</u> <u>Decreasing</u> <u>to 3.04%)</u>	<u>Healthcare</u> <u>Cost Trend Rates</u> <u>(6.75%</u> <u>Decreasing</u> <u>to 4.04%)</u>	<u>1% Increase</u> <u>7.75%</u> <u>Decreasing</u> <u>to 5.04%)</u>
Total OPEB Liability	\$ 12,429,942	\$ 14,546,745	\$ 17,231,751

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

For the year ended June 30, 2025, the District recognized a negative OPEB expense of \$17,761,406. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,149,933	\$ 2,118,304
Changes of assumptions or other inputs	1,222,905	7,183,423
Employer contributions subsequent to the measurement date (expected employer contribution including implicit subsidy)	<u>0</u>	<u>0</u>
 Total	 <u>\$ 2,372,838</u>	 <u>\$ 9,301,727</u>

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

<u>Fiscal Year Ending June 30:</u>	
2026	\$ (989,287)
2027	(2,197,081)
2028	(1,991,161)
2029	(671,107)
2030	(600,886)
Thereafter	<u>(479,367)</u>
 Total	 <u>\$ (6,928,889)</u>

NOTE 10 – RISK MANAGEMENT

The 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, etc. The risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

DUANESBURG CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 – TAX ABATEMENTS

The District has no tax abatements for the year ended June 30, 2025.

NOTE 13 – RESTATEMENT

For the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of Statement No. 101, results in the additional requirements for recording compensated absences. The District’s net position has been restated as follows:

	<u>Government-wide Statement of Net Position</u>
Fund Balance/Net Position, beginning of year as previously stated	\$ (7,529,325)
GASB Statement No. 101 implementation:	
Compensated Absences	<u>(2,352,524)</u>
Fund Balance/Net Position, beginning of year as restated	<u><u>\$ (9,881,849)</u></u>

NOTE 14 – SUBSEQUENT EVENTS

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

DUANESBURG CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Revenues</u>	<u>Final Budget Variance with Budgetary Actual Over (Under)</u>
REVENUES:				
Local Sources				
Real property taxes	\$ 8,349,339	\$ 8,349,339	\$ 8,347,923	\$ (1,416)
Real property tax items	639,510	639,510	644,224	4,714
Charges for services	0	0	154,736	154,736
Use of money and property	51,000	51,000	396,997	345,997
Sale of property and compensation for loss	0	0	86,065	86,065
Miscellaneous	140,500	140,500	471,889	331,389
Total Local Sources	9,180,349	9,180,349	10,101,834	921,485
State Sources	9,082,096	9,082,096	9,252,974	170,878
Federal Sources	30,000	30,000	29,591	(409)
Total Revenues	18,292,445	18,292,445	19,384,399	\$ 1,091,954

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

DUANESBURG CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Year End Encumbrances</u>	<u>Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under</u>
EXPENDITURES					
General Support					
Board of Education	25,450	47,787	45,539	\$ 0	\$ 2,248
Central administration	242,204	254,621	246,352	1,221	7,048
Finance	395,044	410,261	360,614	16,619	33,028
Staff	185,758	186,873	146,813	0	40,060
Central services	1,587,477	1,628,826	1,253,461	67,323	308,042
Special items	171,531	171,531	152,075	0	19,456
Instructional					
Instruction, administration and improvements	527,894	507,600	467,573	975	39,052
Teaching – regular school	4,424,013	4,428,451	4,101,288	37,176	289,987
Programs for children with handicapping conditions	2,476,075	2,444,988	2,105,291	410	339,287
Occupational education	376,164	442,164	442,112	0	52
Instructional media	799,776	906,872	727,372	3,814	175,686
Pupil services	883,850	950,921	754,436	20,998	175,487
Pupil Transportation	1,390,099	1,414,141	1,153,617	279	260,245
Employee Benefits	4,003,115	3,835,013	3,519,157	0	315,856
Debt Service	1,894,550	1,972,925	1,962,230	1,350	9,345
Total Expenditures	19,383,000	19,602,974	17,437,930	150,165	2,014,879
Other Financing Uses					
Transfers to other funds	60,000	4,460,000	4,412,345	0	47,655
Total Expenditures and Other Uses	19,443,000	24,062,974	21,850,275	\$ 150,165	\$ 2,062,534
NET CHANGE IN FUND BALANCE	(1,150,555)	(5,770,529)	(2,465,876)		
FUND BALANCE – BEGINNING	9,416,486	9,416,486	9,416,486		
FUND BALANCE – ENDING	\$ 8,265,931	\$ 3,645,957	\$ 6,950,610		

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

DUANESBURG CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB Liability							
Service cost	\$ 1,322,049	\$ 1,299,317	\$ 1,321,585	\$ 1,912,322	\$ 1,973,867	\$ 1,290,282	\$ 610,891
Interest	1,530,704	1,448,828	1,198,540	901,875	909,450	1,066,377	925,577
Change of benefit terms	(19,639,107)	0	0	0	0	0	0
Differences between expected and actual experience	(2,119,653)	(400,882)	1,935,399	17,393	127,894	(105,823)	778,563
Change of assumptions or other inputs	(1,235,928)	(449,737)	(2,426,946)	(9,257,753)	(1,569,331)	8,560,317	4,143,918
Benefit payments	(688,974)	(596,234)	(966,988)	(796,210)	(760,741)	(686,027)	(661,505)
Net change in total OPEB liability	(20,830,909)	1,301,292	1,061,590	(7,222,373)	681,139	10,125,126	5,797,444
Total OPEB Liability - beginning	35,377,654	34,076,362	33,014,772	40,237,145	39,556,006	29,430,880	23,633,436
Total OPEB Liability - ending	\$ 14,546,745	\$ 35,377,654	\$ 34,076,362	\$ 33,014,772	\$ 40,237,145	\$ 39,556,006	\$ 29,430,880
Covered-employee payroll	\$ 7,669,362	\$ 7,220,750	\$ 6,387,376	\$ 5,993,949	\$ 6,017,840	\$ 6,764,407	\$ 6,082,993
Total OPEB liability as a percentage of covered-employee payroll	189.67%	489.94%	533.50%	550.80%	668.63%	584.77%	483.82%
Plan's fiduciary net position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net OPEB Liability	\$ 14,546,745	\$ 35,377,654	\$ 34,076,362	\$ 33,014,772	\$ 40,237,145	\$ 39,556,006	\$ 29,430,880

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

DUANESBURG CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

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

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.027603%	0.028682%	0.028908%	0.028832%	0.030374%	0.030501%	0.030562%	0.029797%	0.032619%
District's proportionate share of the net pension liability (asset)	\$ (823,572)	\$ 328,000	\$ 554,707	\$ (4,996,386)	\$ 839,327	\$ (792,425)	\$ (552,648)	\$ (226,489)	\$ 349,368
District's covered-employee payroll	5,594,761	5,496,984	5,352,442	5,153,293	4,893,790	5,155,499	5,121,968	5,024,853	4,829,091
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	14.7%	6.0%	10.4%	97.0%	17.2%	15.4%	10.8%	4.5%	7.2%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net pension liability (asset)	0.0049223%	0.0052003%	0.0052349%	0.0048622%	0.0004788%	0.0048670%	0.0050447%	0.0056667%	0.0056667%
District's proportionate share of the net pension liability (asset)	\$ 843,965	\$ 765,692	\$ 1,122,580	\$ (397,467)	\$ 4,768	\$ 1,288,807	\$ 357,434	\$ 182,891	\$ 182,891
District's covered-employee payroll	2,007,181	2,124,702	1,949,336	1,795,549	1,724,946	1,677,633	1,671,073	1,671,451	1,695,680
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.0%	36.0%	57.6%	22.1%	0.3%	76.8%	21.4%	10.9%	10.8%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%

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

DUANESBURG CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

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

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 565,630	\$ 536,506	\$ 550,766	\$ 505,023	\$ 466,378	\$ 456,777	\$ 540,681	\$ 492,436	\$ 597,785
Contributions in relation to the contractually required contribution	565,630	536,506	550,766	505,023	466,378	456,777	540,681	492,436	597,785
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$ 5,594,761	\$ 5,496,984	\$ 5,352,442	\$ 5,153,293	\$ 4,893,790	\$ 5,155,499	\$ 5,121,968	\$ 5,024,853	\$ 4,829,091
Contribution as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.56%	9.80%	12.38%

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 282,986	\$ 243,630	\$ 184,581	\$ 248,575	\$ 242,184	\$ 232,370	\$ 236,242	\$ 245,073	\$ 226,756
Contributions in relation to the contractually required contribution	282,986	243,630	184,581	248,575	242,184	232,370	236,242	245,073	226,756
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$ 2,007,181	\$ 2,124,702	\$ 1,949,336	\$ 1,795,549	\$ 1,724,946	\$ 1,677,633	\$ 1,671,073	\$ 1,671,451	\$ 1,695,680
Contribution as a percentage of covered-employee payroll	14.10%	11.47%	9.47%	13.84%	14.04%	13.85%	14.14%	14.66%	13.37%

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

DUANESBURG CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

ADOPTED BUDGET	\$ 19,443,000
ADDITIONS:	
Prior year's encumbrances	219,974
Appropriated reserves	<u>4,400,000</u>
FINAL BUDGET	<u><u>\$ 24,062,974</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2025

2025-2026 voter-approved expenditure budget	\$ 20,686,000
Maximum allowed (4% of 2025-2026 budget)	827,440
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	1,371,575
Unassigned fund balance	<u>1,248,008</u>
Total unrestricted fund balance	2,619,583
Less:	
Appropriated fund balance and encumbrances	<u>1,371,575</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,248,008</u></u>
Actual percentage	6.03%

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

DUANESBURG CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2025

<u>Project Title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>			<u>Fund Balances</u>	
			<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>		<u>Local Sources</u>	<u>State Aid</u>	<u>Proceeds of Obligations</u>		<u>Total</u>
Smart School Bond Act	\$ 661,917	\$ 661,917	\$ 579,436	\$ 0	\$ 579,436	\$ 82,481	\$ 0	\$ 562,876	\$ 0	\$ 562,876	\$ (16,560)
Centennial Project	28,000,000	28,000,000	1,010,068	4,053,018	5,063,086	22,936,914	6,075,000	0	0	6,075,000	1,011,914
Buses 24-25	400,000	400,000	0	338,431	338,431	61,569	0	0	338,431	338,431	0
TOTALS	<u>\$ 29,061,917</u>	<u>\$ 29,061,917</u>	<u>\$ 1,589,504</u>	<u>\$ 4,391,449</u>	<u>\$ 5,980,953</u>	<u>\$ 23,080,964</u>	<u>\$ 6,075,000</u>	<u>\$ 562,876</u>	<u>\$ 338,431</u>	<u>\$ 6,976,307</u>	<u>\$ 995,354</u>

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

DUANESBURG CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL ASSETS, NET		\$ 33,960,358
DEDUCT:		
Short-term portion of bonds payable	\$ 1,458,431	
Long-term portion of bonds payable	<u>7,620,000</u>	
		<u>9,078,431</u>
NET INVESTMENT IN CAPITAL ASSETS		<u><u>\$ 24,881,927</u></u>

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Duanesburg Central School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2025.

Report Internal Control Over Financial Reporting

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

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

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

Report Compliance and Other Matters

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

Purpose of this Report

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

WEST & COMPANY CPA PC

Gloversville, New York
October 7, 2025

DUANESBURG CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2025



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets and liabilities arising from cash transactions of the Extraclassroom Activity Funds of Duanesburg Central School District (the District) as of June 30, 2025, and the related statement of revenues collected and expenses paid for the year then ended, and the related notes to the financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the Extraclassroom Activity Funds of the District as of June 30, 2025, and the revenues collected and expenses paid for the year then ended, on the basis of accounting described in Note 1.

Basis for Qualified Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Basis of Accounting

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 7, 2025

DUANESBURG CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2025

ASSETS	
Cash	\$ 36,213
	<u> </u>
TOTAL ASSETS	<u><u>\$ 36,213</u></u>
LIABILITIES AND CLUB BALANCES	
Club balances	\$ 36,213
	<u> </u>
TOTAL LIABILITIES AND CLUB BALANCES	<u><u>\$ 36,213</u></u>

See notes to financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Receipts	Disbursements	Balance June 30, 2025
Class of 2024	\$ 724	\$ 0	\$ 724	\$ 0
Class of 2025	3,375	6,569	9,696	248
Class of 2026	3,403	3,039	1,561	4,881
Class of 2027	1,349	2,291	1,625	2,015
Class of 2028	2,747	460	0	3,207
Class of 2029	1,314	2,541	1,074	2,781
Class of 2030	1,041	380	330	1,091
Yearbook	2,951	1,287	186	4,052
Leos Club	49	1,163	354	858
FBLA	801	0	0	801
Drama Club	6,909	12,964	12,911	6,962
HS School Store	1,057	0	0	1,057
National Honor Society	754	0	0	754
HS Student Council	6,395	2,505	1,624	7,276
Sales Tax	795	710	1,275	230
TOTALS	\$ 33,664	\$ 33,909	\$ 31,360	\$ 36,213

See notes to financial statements.

DUANESBURG CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds of the Duanesburg Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. However, since the Board of Education does exercise general oversight, these funds are reflected in the Custodial Fund of the basic financial statements of the District.

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

NOTE 2 – MANAGEMENT LETTER

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



October 7, 2025

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

Re: Management Letter
June 30, 2025

Dear Board Members:

In planning and performing our audit of the basic financial statements of the Duanesburg Central School District for the year ended June 30, 2025, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions concerning those matters. We previously reported on the District's internal control in our report dated October 7, 2025. This letter does not affect our report dated October 7, 2025, on the basic financial statements of Duanesburg Central School District.

The accompanying comments and recommendations are intended solely for the information and use of the audit committee, management and others within the District and should not be used by anyone other than these specified parties.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

Prior-Year Findings

1) Extraclassroom Activity Funds

Prior Comment: During our testing of receipts and disbursements, we noted a student treasurer signature was missing and a few instances where sales tax was not paid or charged.

Status: In the current year we noted, one student signature was missing, and one central treasurer signature was missing. There were no instances of sales tax not paid.

Recommendation: We recommend that the Central Treasurer, clubs and their advisors review procedures to make extraclassroom activities comply with New York State Education Department Pamphlet #2.

2) **Extraclassroom Activity Funds**

Prior Comment: During our audit we noted two clubs that are fiscally inactive as of June 30, 2024.

Status: In the current year we noted three fiscally inactive clubs.

Recommendation: Management and the board should review these clubs and if it is determined that they are inactive they should be closed.

Current-Year Findings

1) **Unassigned General Fund Balance**

Condition: The District's unassigned General Fund balance at June 30, 2025, was in excess of the New York State Real Property Tax Law limit, which restricts this balance to an amount not greater than 4% of the District's appropriation budget for the upcoming year.

Recommendation: We recommend that the Board review and modify its plan to reduce the District's unassigned General Fund balance to the statutory limit.

* * * * *

We appreciate the assistance and courtesies extended to us by your staff during our fieldwork.

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

Very truly yours,

WEST & COMPANY CPAs PC

WEST & Company CPAs PC