

## PRELIMINARY OFFICIAL STATEMENT

### NEW ISSUE

### BOND ANTICIPATION NOTES

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.*

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

# \$56,000,000

## NORTH COLONIE CENTRAL SCHOOL DISTRICT

### ALBANY COUNTY, NEW YORK

### GENERAL OBLIGATIONS

### \$56,000,000 Bond Anticipation Notes, 2026

(the "Notes")



**Dated: June 25, 2026**

**Due: June 25, 2027**

The Notes will be general obligations of the North Colonie Central School District, Albany County, New York (the "District" or "School 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. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW," herein.

The Notes are NOT subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued as book entry only registered notes or in registered certificated form in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. A single note certificate will be issued for those Notes of an issue bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate.

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the purchaser(s), on or about June 25, 2026.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com) on June 11, 2026 until 10:15 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.**

June 4, 2026

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**ALBANY COUNTY, NEW YORK**



**SCHOOL DISTRICT OFFICIALS**

**2025-2026 BOARD OF EDUCATION**

LINDA HARRISON  
President

MATTHEW CANNON  
Vice President

MARY ALBER  
NICOLAS COMPROSKI  
MICHELLE DISCHIAVO  
AYESAH GETER  
SAMUEL JOHNSON  
MARY NARDOLILLO  
MELISSA VEINO

\* \* \* \* \*

**ADMINISTRATION**

KATHLEEN SKEALS  
Superintendent of Schools

DR. BRIAN CAREY  
Assistant Superintendent for Business

TRACEY FREEMANTLE  
School District Treasurer

KATHLEEN CIETEK  
Business Office Manager

EMILY TROMBLEY  
School District Clerk



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP  
Bond Counsel

No person has been authorized by North Colonie 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 North Colonie Central School District.

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**PREPARED WITH THE ASSISTANCE OF**



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**OFFICIAL STATEMENT**  
**of the**  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**ALBANY COUNTY, NEW YORK**

**Relating To**  
**\$56,000,000 Bond Anticipation Notes, 2026**

This Official Statement, which includes the cover page and appendices, has been prepared by the North Colonie Central School District, Albany County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$56,000,000 principal amount of Bond Anticipation Notes, 2026 (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 School District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the School District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

**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 thereof and interest thereon 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 the Obligation” and “TAX LEVY LIMITATION LAW” herein.

The Notes will be dated June 25, 2026 and will mature June 25, 2027. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

## **No Optional Redemption**

The Notes are not subject to redemption prior to maturity.

## **Purpose of Issue**

The Notes are issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on April 23, 2025 authorizing the financing of a capital project at a maximum cost of \$94,137,680 to be funded with the proceeds of bond anticipation notes and serial bonds.

The proceeds of the Notes will provide \$56,000,000 new money for the aforementioned project.

## **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](http://www.dtcc.com) and [www.dtc.org](http://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. Principal of and interest on the Notes will be payable at the option of the purchaser(s) at the office of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. Paying agent fees, if any, shall be the responsibility 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 held by each owner at such interest rate. The Notes will remain not subject to redemption prior to their stated final maturity date.

# THE SCHOOL DISTRICT

## General Information

North Colonie Central School District (the “District”) is located in the Town of Colonie (the “Town”) and borders on the City of Albany in the Capital Region of New York. The intersection of the New York State Thruway’s north-south artery (Interstate 87) and east-west artery (Interstate 90) is located in the District, which affords the residents and businesses within the District excellent access to the Nation’s Interstate Highway System. Also located within the District is the Mohawk River, which connects to the Hudson River and the New York State Barge Canal (Erie Canal). Amtrak provides passenger service through its facilities located in nearby Rensselaer, and the Albany International Airport is located just outside of the District.

The District is primarily residential in character, but it has a significant commercial tax base consisting largely of office complexes, hotels, shopping centers and some industrial activity. Furthermore, due to its developed and diverse tax base, District residents and businesses are afforded with one of the lowest property tax rates in the area. There is great support for the District’s programs as evidenced by the fact that the District’s annual budget has been passed by District voters every year for the last thirty-three years.

Residents of the District have superb access to higher education with several colleges and universities located in the Capital Region, including State University of New York at Albany, Rensselaer Polytechnic Institute, Union College, The College of Saint Rose and Siena College. The Hudson and Mohawk rivers afford excellent recreational activities, as do several nearby golf courses and ski resorts.

The Town provides police protection to District residents and fire protection is provided by local volunteer fire departments. Electric and gas is supplied by National Grid and local telephone service is provided by Verizon.

Ayco, a financial services firm owned by Goldman Sachs, moved its headquarters from Saratoga Springs to a new 150,000 square foot building in the Town of Colonie. It is anticipated that Ayco will retain 626 employees and hire 160 additional employees.

Source: District officials.

## Population

The current estimated population of the District is 43,681.

Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates

## Selected Wealth and Income Indicators

Per capita income statistics are not available for the School District as such. The smallest areas for which such statistics are available, which includes the School District, are the Towns and County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County is necessarily representative of the School 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>
Town of:						
Colonie	\$ 35,075	\$ 40,747	\$52,732	\$ 85,418	\$ 103,028	\$ 130,542
County of:						
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 data.

Note: 2021-2025 American Community Survey data is not available as of the date of this Official Statement.

## Larger Employers

The following are the larger employers located within or in close proximity to the District.

<u>Name</u>	<u>Type</u>	<u># Employees</u>
Goldman Sachs/Ayco	Investment Managers	1,000
United Parcel Service	Delivery Services	785
Town of Colonie	Municipality	651
Siena College	Higher Education	620
Price Chopper	Retail	402
Pepsi Cola Brothers	Manufacturing	275
Wal-Mart/Sam's Club	Retail	250
Hannaford	Retail	242
NYSUT	Labor Union	200

Source: District officials.

## Unemployment Rate Statistics

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

	<u>Annual Averages</u>							
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Albany County	3.7%	3.5%	6.9%	4.4%	3.1%	3.2%	3.3%	3.4%
New York State	4.1%	3.8%	9.9%	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>	
Albany County	3.7%	4.0%	3.6%	N/A	N/A	
New York State	4.7%	5.2%	4.4%	N/A	N/A	

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

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

## District Organization

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 (the "Board"). Under current law, an election is held within the District boundaries on the third Tuesday of May each year to elect members to the Board. They are generally elected for a term of five years.

## Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the Assistant Superintendent for Business and District Treasurer.

## **Budgetary Procedures**

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 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). 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 Votes*

The school district budget vote for the 2025-2026 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 937 to 267. The District’s budget for the 2025-2026 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.00%, which was less than the District’s tax levy limit of 4.06%.

The school district budget vote for the 2026-2027 fiscal year was approved by the qualified voters on May 19, 2026 by a vote of 1,103 to 355. The District’s budget for the 2026-2027 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 3.90%, which was less than the District’s tax levy limit of 4.69%.

## **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 the 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; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, 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 subdivision 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, in 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.

## 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 32.23% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. The State’s Enacted Budgets were adopted after the April 1 deadline in the State’s fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late) and 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late). As of the date of this Official Statement, the State’s 2026-27 budget is thirty-seven (37) days late. The State’s Enacted Budgets were adopted by April 1 or shortly thereafter in the State’s fiscal years 2016-17 through 2022-23, inclusive. As of the date hereof, the State has not adopted a budget for the State’s fiscal year 2026-27. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

### *Federal Aid Received by the State*

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

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

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

## *Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 building aid ratios, the District expects to receive State building aid of approximately 67.2% 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 State's 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding was included to establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

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

Provisions in the State’s 2025-26 Enacted Budget granted the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a “general fund imbalance” has or is expected to occur in fiscal year 2025-26. Specifically, the State’s 2025-26 Enacted Budget provides that a “general fund imbalance” has occurred, and the State Budget Director’s powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State’s 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. No general fund imbalance occurred in the State’s fiscal year 2025-26.

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

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

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

### *State Aid Litigation*

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

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

A case related to the CFE was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is 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 Budget: \$27.1 billion in Foundation Aid, an increase of \$779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 and 2026-27 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 District receives State Aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$114,482,791	\$21,931,303	19.16%
2021-2022	121,308,070	27,831,950	22.94
2022-2023	134,583,625	37,394,467	27.79
2023-2024	146,391,153	45,488,068	31.07
2024-2025	151,441,377	47,921,183	31.64
2025-2026 (Budgeted)	154,322,860	49,848,886	32.30
2026-2027 (Budgeted)	161,052,092	51,906,729	32.23

<sup>(1)</sup> Does not include interfund transfers.

Source: 2020-2021 through 2024-2025 audited financial statements and 2025-2026 and 2026-2027 budgeted figures of the District. This table is not audited.

## School Facilities

<u>Name</u>	<u>Capacity</u>	<u>Year(s) Built</u>	<u>Grades</u>
Boght Hills Elementary School	625	1955	K-5
Blue Creek Elementary School	585	1953	K-5
Forts Ferry Elementary School	535	1955	K-5
Latham Ridge Elementary School	545	1966	K-5
Loudonville Elementary School	335	1919	K-5
Maplewood Elementary School <sup>(1)</sup>	0	1922	-
Southgate Elementary School	490	1955	K-5
Shaker Middle School <sup>(3)</sup>	1,700	1962	6-8
Shaker Sr. High School	2,200	1957	9-12
Goodrich Elementary School <sup>(2)</sup>	0	1910	-

<sup>(1)</sup> The District temporarily leases out a portion of this facility. Maplewood Elementary School is leased to a private contractor who provides speech, occupational and physical therapy services to children.

<sup>(2)</sup> The District business offices and the superintendent's office are located in the Goodrich Elementary School.

<sup>(3)</sup> The Jr. High School has been expanded as part of a current capital project to become a 6-8 middle school.

Source: District officials.

## Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	6,025	2026-27	6,195
2022-23	5,950	2027-28	6,164
2023-24	6,035	2028-29	6,130
2024-25	6,075	2029-30	6,133
2025-26	6,134	2030-31	6,090

Source: District officials.

## Employees

The District employs a total of approximately 1,194 full-time employees. Employees are represented by various unions as follows:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
667	North Colonie Teachers Association	6/30/2028
263	Civil Service Employees Association	6/30/2028
103	C.S.E.A. District Aides	6/30/2026 <sup>(1)</sup>
34	Administrators Association of North Colonie	6/30/2027
21	Instructional Support Administrators Association of North Colonie	6/30/2028
13	Management Confidential	6/30/2028
7	Individual Contracts	Varies

<sup>(1)</sup> 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 the 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	\$2,139,242	\$4,811,716
2021-2022	2,322,529	5,378,762
2022-2023	1,700,414	5,216,142
2023-2024	2,004,573	5,788,666
2024-2025	2,502,350	6,116,222
2025-2026 (Budgeted)	3,043,876	6,401,925
2026-2027 (Budgeted)	3,912,113	6,743,040

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 currently does not have early retirement incentive programs.

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 (2021-22 to 2026-27) is shown below:

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

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

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by 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 20, 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 Employee 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 following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

	July 1, 2023	July 1, 2024
Balance beginning at:	<u>\$ 146,534,228</u>	<u>\$ 153,347,230</u>
<b><u>Changes for the year:</u></b>		
Service cost	6,490,085	6,608,380
Interest on total OPEB liability	6,246,982	6,656,825
Changes in Benefit Terms	-	42,944
Differences between expected and actual experience	(352,929)	(25,405,769)
Changes in Assumptions or other inputs	(2,003,710)	(6,765,545)
Benefit payments	<u>(3,567,426)</u>	<u>(3,710,750)</u>
Net Changes	<u>\$ 6,813,002</u>	<u>\$ (22,573,915)</u>
<b>Balance ending at:</b>	<b><u>June 30, 2024</u></b>	<b><u>June 30, 2025</u></b>
	<b><u>\$ 153,347,230</u></b>	<b><u>\$ 130,773,315</u></b>

Source: Audited financial reports of the District. For additional information see “APPENDIX – E” 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 District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

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

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

### Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025, and has been filed with the Electronic Municipal Market Access (“EMMA”) website. It is also attached hereto as “APPENDIX-E” to this Official Statement. Certain financial information of the School District can also be found attached as Appendices to the Official Statement.

The School 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, 2004, the School District issued 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 Report of Examination

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

There have been no State Comptroller's audits of the District released within the past five years, nor are there any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein and is not incorporated 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 classification of the District for the five most recent available years 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

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein and is not incorporated herein by reference.

## TAX INFORMATION

### Taxable Assessed Valuations

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Town of:					
Colonie	<u>\$ 3,380,169,485</u>	<u>\$ 3,406,264,977</u>	<u>\$ 3,434,175,106</u>	<u>\$ 3,450,466,431</u>	<u>\$ 3,461,434,902</u>
Total Assessed Valuation	<u>\$ 3,380,169,485</u>	<u>\$ 3,406,264,977</u>	<u>\$ 3,434,175,106</u>	<u>\$ 3,450,466,431</u>	<u>\$ 3,461,434,902</u>
State Equalization Rates					
Town of:					
Colonie	<u>59.00%</u>	<u>55.75%</u>	<u>51.00%</u>	<u>48.00%</u>	<u>43.70%</u>
Total Taxable Full Valuation	<u>\$ 5,729,100,822</u>	<u>\$ 6,109,892,335</u>	<u>\$ 6,733,676,678</u>	<u>\$ 7,188,471,731</u>	<u>\$ 7,920,903,666</u>

Source: School District officials.

**Tax Rates Per \$1,000 (Assessed)**

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Town of:					
Colonie	\$ 26.45	\$ 26.63	\$ 27.15	\$ 27.70	\$ 28.44

Source: School District officials.

**Tax Levy and Tax Collection Record**

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Total Tax Levy <sup>(1)</sup>	\$ 89,417,572	\$ 90,709,917	\$ 93,225,506	\$ 95,581,447	\$ 98,436,556
Amount Uncollected	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> The District is reimbursed by the County for all unpaid taxes. See “Tax Collection Procedure” herein.

Source: School District officials.

**Tax Collection Procedure**

The District levies its own taxes, but said taxes are collected by the Town of Colonie. The Town retains all penalties collected as their compensation for acting as tax collector. District taxes are collected from September 1 to September 30 with no penalty and from October 1 until October 31 with a 4% penalty. Delinquent taxes are reported unpaid to the County Treasurer on November 15. At this time, delinquent District taxes are the responsibility of the County Treasurer. By April 1 of each fiscal year, all delinquent taxes are paid in full (plus any penalties) to the District by the County Treasurer.

**Real Property Tax Revenues**

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Real Property Taxes and Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2020-2021	\$ 114,482,791	\$ 88,542,137	77.34%
2021-2022	121,308,070	89,578,076	73.84
2022-2023	134,583,625	91,006,730	67.62
2023-2024	146,391,153	93,551,469	63.91
2024-2025	151,441,377	95,976,713	63.38
2025-2026 (Budgeted)	154,322,860	98,966,104	64.13
2026-2027 (Budgeted)	161,052,092	102,862,858	63.87

<sup>(1)</sup> General fund only, does not include inter-fund transfers or reserve funds.

Source: Audited financial statements for the 2020-2021 fiscal year through and including the 2024-2025 fiscal year and the budget of the District for the 2025-2026 and 2026-2027 fiscal year. This table is not audited.

**Larger Taxpayers 2025 for the 2025-2026 Tax Roll**

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Niagara Mohawk Power Corp.	Public Utility	\$ 52,823,761
KIR Latham Farms LP	Retail Shopping Center	40,850,000
NYSUT Building Corp.	Office Building	22,100,000
4 and 6 Autopark Property, LLC	Office Building	21,000,000
Hudson Preserve, LLC	Apartment Complex	19,900,000
CS Albany Realty, LLC	Hotel/Banquet	15,300,000
Healthcare Trust of America Inc	Office Building	15,260,000
Wolf Pioneer, LLC	Private Business	14,700,000
Acadia New Loudon, LLC	Retail Shopping Center	14,631,500
3Y Colonie, LLC	Real Estate Investment	13,893,600

The larger taxpayers listed above have a total taxable assessed valuation of \$230,458,861 which represents 6.7% of the tax base of the School District.

The District experiences tax certioraris claims as a part of its normal operations. The District currently does not have any pending or outstanding tax certiorari that are known to have a material impact on the District. As of June 30, 2025, the balance in the District’s Tax Certiorari Reserve Fund was \$2,468,160 which represents the District’s potential liability.

Source: District Tax Rolls.

**STAR – School Tax Exemption**

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

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

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

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

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

<u>Town of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Colonie	\$ 38,670	\$ 13,110	4/10/2026

\$3,256,205 of the District’s \$95,395,543 school tax levy for the 2024-2025 fiscal year was exempt by the STAR program. The District received full reimbursement of such exempt taxes from the State in January 2025.

\$3,273,455 of the District's \$98,436,556 school tax levy for the 2025-2026 fiscal year was exempt by the STAR program. The District received full reimbursement of such exempt taxes from the State in January 2026.

### **Additional Tax Information**

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

Senior citizens' exemptions are offered to those who apply and qualify.

The estimated total annual school tax bill of a \$300,000 market value residential property located in the School District is approximately \$3,725.

### **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 30:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 4,840,000	\$ 76,320,000	\$ 94,955,000	\$ 91,280,000	\$ 86,080,000
Bond Anticipation Notes	101,210,000	26,835,000	26,100,000	0	0
Capital Lease Obligations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$106,050,000</u>	<u>\$103,155,000</u>	<u>\$121,055,000</u>	<u>\$ 91,280,000</u>	<u>\$ 86,080,000</u>

Source: Audited financial statements of the District.

Note: The bond amounts shown above do not include advance refunded bonds outstanding where applicable. The \$26,100,000 bond anticipation notes outstanding as of June 30, 2023 were fully redeemed by \$24,615,000 serial bonds issued through the Dormitory Authority of the State of New York on June 15, 2023.

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the School District evidenced by bonds and notes as of June 4, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2026-2041	\$ 80,740,000
Bond Anticipation Notes	N/A	<u>0</u>
	Total Indebtedness	<u>\$ 80,740,000</u>

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## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 4, 2026:

Full Valuation of Taxable Real Property .....	\$ 7,920,903,666
Debt Limit 10% thereof .....	792,090,366

### Inclusions:

Bonds.....	\$ 80,740,000	
Bond Anticipation Notes: .....	<u>0</u>	
Total Inclusions prior to issuance of the Notes .....	<u>80,740,000</u>	
Add: New money proceeds of the Notes .....	<u>56,000,000</u>	
Total Net Inclusions after issuance of the Notes .....		<u>\$136,740,000</u>

### Exclusions:

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

Total Net Indebtedness .....	<u>\$ 136,740,000</u>
Net Debt-Contracting Margin .....	<u>\$ 655,350,366</u>
The percent of debt contracting power exhausted is .....	17.26%

- <sup>(1)</sup> 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 67.2% 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 School District.

## Bonded Debt Service

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

## Capital Project Plans

On May 21, 2024, District voters approved a referendum for a capital project with a maximum cost of \$94,137,680 to be funded with the proceeds of bond anticipation notes and serial bonds. Borrowings for the project are pursuant to approval from the State Education Department and as the project's cash flow needs warrant. The proceeds of the Notes will provide \$56,000,000 new money against the aforementioned referendum.

Other than as stated above, the District has no other capital project plans authorized, nor are any contemplated at the present time.

## Cash Flow Borrowings

The District has not issued tax, revenue anticipation notes, nor budget or deficiency notes in the last five fiscal years. The District does not currently anticipate issuing tax anticipation notes, revenue anticipation notes, nor budget or deficiency notes in the foreseeable future.

**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 as of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:				
Albany	12/31/2024	\$ 228,760,000	19.18%	\$ 43,876,168
Town of:				
Colonie	12/31/2024	137,077,273	53.60%	<u>73,473,418</u>
Total:				<u>\$ 117,349,586</u>

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

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

**Debt Ratios**

The following table sets forth certain ratios relating to the District's indebtedness as of June 4, 2026:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$136,740,000	\$ 3,130.42	1.73%
Net Indebtedness Plus Gross Overlapping Indebtedness <sup>(d)</sup> .....	254,089,586	5,816.94	3.21

<sup>(a)</sup> The current estimated population of the District is 43,681. (See “THE SCHOOL DISTRICT – Population” herein.)  
<sup>(b)</sup> The School District's full value of taxable real estate for 2025-2026 is \$7,920,903,666. See “TAX INFORMATION” herein.  
<sup>(c)</sup> See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.  
<sup>(d)</sup> Estimated gross overlapping indebtedness is \$117,349,586. (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. To the best knowledge of current District officers, the District has not defaulted on the payment of the principal of and interest on any indebtedness in the past five years.

## MARKET AND RISK FACTORS

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

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

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

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

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

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

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

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

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

## Cybersecurity

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

## TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D”.

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, 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, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

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 imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, 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 owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability 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.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – D" hereto.

## **LITIGATION**

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the School 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 purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Continuing Disclosure Undertaking to provide Material Event Notices with respect to the Notes, the form of which is attached hereto as "APPENDIX – C".

### **Historical Compliance**

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

## **MUNICIPAL ADVISOR**

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

## **CUSIP IDENTIFICATION NUMBERS**

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

## RATING

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

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "AA" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of the rating agency assigning such rating, and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, 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 particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

## MISCELLANEOUS

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

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the 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's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the District, expresses no opinion 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 the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://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 or hacking 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: Dr. Brian Carey, Assistant Superintendent for Business, 91 Fiddlers Lane, Latham, New York 12110 Phone: (518) 785-8591 x3106, Fax: (518) 785-8502, Email: [brian.carey@nccsk12.org](mailto:brian.carey@nccsk12.org).

The District's Bond Counsel contact information is as follows: Douglas E. Goodfriend, Esq., Orrick, Herrington & Sutcliffe LLP, 51 West 52<sup>nd</sup> Street, New York, New York 10019-6142, Phone: (212) 506-5211, Fax: (212) 506-5151, Email: [dgoodfriend@orrick.com](mailto:dgoodfriend@orrick.com).

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**

**Dated: June 4, 2026**

**LINDA HARRISON**  
**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>
<b>ASSETS</b>					
Cash - Unrestricted	\$ 12,129,212	\$ 11,069,558	\$ 9,925,437	\$ 11,737,013	\$ 15,238,579
Cash - Restricted	18,383,329	23,779,785	32,138,011	-	23,315,635
Investments - Unrestricted	-	-	-	3,869,591	-
Investments - Restricted	-	-	-	42,710,984	27,290,114
Accounts Receivable	87,837	143,037	168,999	4,291,948	3,937,783
Due from Other Funds	2,487,692	4,930,358	5,925,408	4,000,000	1,429,036
Due from State and Federal	1,972,647	3,582,992	3,694,325	-	-
Due from Other Governments	1,257,339	412,784	2,750,769	-	-
Inventories	-	-	10,000	-	-
Prepaid Expenditures	10,000	10,000	-	10,000	10,000
	<u>36,328,056</u>	<u>43,928,514</u>	<u>54,612,949</u>	<u>66,619,536</u>	<u>71,221,147</u>
<b>TOTAL ASSETS</b>	<b>\$ 36,328,056</b>	<b>\$ 43,928,514</b>	<b>\$ 54,612,949</b>	<b>\$ 66,619,536</b>	<b>\$ 71,221,147</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable	\$ 1,959,786	\$ 3,042,723	\$ 1,944,460	\$ 1,831,793	\$ 2,279,950
Accrued Liabilities	877,744	844,829	1,011,048	494,922	2,231,073
Due to Other Funds	8,400	33,025	-	1,734,291	-
Due to Other Governments	-	-	-	6,711	6,576
Due to Teachers' Retirement System	5,225,263	5,876,456	6,464,937	6,496,775	6,962,592
Due to Employees' Retirement System	681,493	488,283	590,488	652,619	727,576
Unearned Revenues	69,770	68,277	17,605	11,155	50,055
Overpayments & Collections in Advance	-	-	-	-	-
	<u>8,822,456</u>	<u>10,353,593</u>	<u>10,028,538</u>	<u>11,228,266</u>	<u>12,257,822</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 8,822,456</b>	<b>\$ 10,353,593</b>	<b>\$ 10,028,538</b>	<b>\$ 11,228,266</b>	<b>\$ 12,257,822</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>					
Nonspendable	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Restricted	18,383,329	23,779,785	32,138,011	42,710,984	50,605,749
Assigned	4,145,150	4,401,670	4,941,578	6,506,587	2,138,356
Unassigned	4,967,121	5,383,466	7,494,822	6,163,699	6,209,220
	<u>27,505,600</u>	<u>33,574,921</u>	<u>44,584,411</u>	<u>55,391,270</u>	<u>58,963,325</u>
<b>TOTAL FUND EQUITY</b>	<b>\$ 27,505,600</b>	<b>\$ 33,574,921</b>	<b>\$ 44,584,411</b>	<b>\$ 55,391,270</b>	<b>\$ 58,963,325</b>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<b>\$ 36,328,056</b>	<b>\$ 43,928,514</b>	<b>\$ 54,612,949</b>	<b>\$ 66,619,536</b>	<b>\$ 71,221,147</b>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 83,776,125	\$ 85,255,718	\$ 86,945,168	\$ 89,703,009	\$ 95,976,713
Other Tax Items	4,766,012	4,322,358	4,061,562	3,848,460	-
Charges for Services	2,309,867	2,723,226	3,329,850	2,670,345	2,826,283
Use of Money & Property	270,787	357,454	2,144,159	3,479,724	3,771,497
Sale of Property and Compensation for Loss	167,579	209,541	59,895	220,072	150,528
Miscellaneous	557,822	436,729	477,292	804,496	712,342
Revenues from State Sources	21,931,303	27,831,950	37,394,467	45,488,068	47,921,183
Revenues from Federal Sources	703,296	171,094	171,232	176,979	82,831
<b>Total Revenues</b>	<b>\$ 114,482,791</b>	<b>\$ 121,308,070</b>	<b>\$ 134,583,625</b>	<b>\$ 146,391,153</b>	<b>\$ 151,441,377</b>
Other Sources:					
Proceeds from issuance of debt	-	1,419,039	3,423,245	-	-
Proceeds from issuance of leases	-	183,913	933,479	-	-
BAN's redeemed from appropriations	-	-	-	-	-
Interfund Transfers	-	299,615	-	-	-
<b>Total Revenues and Other Sources</b>	<b>\$ 114,482,791</b>	<b>\$ 123,210,637</b>	<b>\$ 138,940,349</b>	<b>\$ 146,391,153</b>	<b>\$ 151,441,377</b>
<b>EXPENDITURES</b>					
General Support	\$ 10,852,434	\$ 12,295,235	\$ 12,839,897	\$ 13,725,627	\$ 15,949,620
Instruction	61,627,954	64,910,943	70,063,960	76,190,075	77,323,852
Pupil Transportation	5,324,836	5,108,030	5,965,393	5,616,730	6,582,998
Community Services	-	-	-	22,504	40,832
Employee Benefits	27,508,970	27,877,032	29,228,741	31,880,340	33,818,121
Debt Service	5,180,288	6,331,644	9,395,296	7,720,675	7,699,413
<b>Total Expenditures</b>	<b>\$ 110,494,482</b>	<b>\$ 116,522,884</b>	<b>\$ 127,493,287</b>	<b>\$ 135,155,951</b>	<b>\$ 141,414,836</b>
Other Uses:					
Interfund Transfers	217,171	618,432	437,572	428,343	6,454,486
<b>Total Expenditures and Other Uses</b>	<b>\$ 110,711,653</b>	<b>\$ 117,141,316</b>	<b>\$ 127,930,859</b>	<b>\$ 135,584,294</b>	<b>\$ 147,869,322</b>
Excess (Deficit) Revenues Over Expenditures	3,771,138	6,069,321	11,009,490	10,806,859	3,572,055
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	19,703,509	27,505,600	33,574,921	44,584,411	55,391,270
Prior Period Adjustments (net)	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>\$ 27,505,600</b>	<b>\$ 33,574,921</b>	<b>\$ 44,584,411</b>	<b>\$ 55,391,270</b>	<b>\$ 58,963,325</b>

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026	2027
	Original Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 92,343,770	\$ 92,343,770	\$ 95,976,713	\$ 98,467,974	\$ 102,308,225
Other Tax Items	3,871,406	3,871,406	-	498,130	554,633
Charges for Services	2,065,316	2,070,733	2,826,283	-	-
Use of Money & Property	1,805,512	1,805,520	3,771,497	2,250,000	2,100,000
Sale of Property and Compensation for Loss	113,000	113,000	150,528	-	-
Miscellaneous	500,983	518,528	712,342	3,257,870	4,182,505
Revenues from State Sources	46,700,466	46,702,966	47,921,183	49,848,886	51,906,729
Revenues from Federal Sources	150,000	150,000	82,831	-	-
Total Revenues	<u>\$ 147,550,453</u>	<u>\$ 147,575,923</u>	<u>\$ 151,441,377</u>	<u>\$ 154,322,860</u>	<u>\$ 161,052,092</u>
Other Sources:					
Proceeds from issuance of debt	1,670,194	1,670,194	-	-	-
Appropriated Reserves/Fund Balance	-	-	-	-	3,529,262
BAN's redeemed from appropriations	836,393	836,393	-	-	-
Interfund Transfers	5,705,580	5,705,580	-	-	-
Total Revenues and Other Sources	<u>\$ 155,762,620</u>	<u>\$ 155,788,090</u>	<u>\$ 151,441,377</u>	<u>\$ 154,322,860</u>	<u>\$ 164,581,354</u>
<b>EXPENDITURES</b>					
General Support	\$ 16,449,367	\$ 17,268,541	\$ 15,949,620	\$ 19,528,849	\$ 20,662,621
Instruction	79,358,790	79,517,028	77,323,852	81,093,912	84,931,969
Pupil Transportation	7,169,235	8,116,535	6,582,998	6,055,650	7,775,675
Community Services	-	42,014	40,832	21,000	219,500
Employee Benefits	37,714,358	36,609,580	33,818,121	38,777,773	40,997,326
Debt Service	7,699,413	7,699,413	7,699,413	7,689,463	9,654,263
Total Expenditures	<u>\$ 148,391,163</u>	<u>\$ 149,253,111</u>	<u>\$ 141,414,836</u>	<u>\$ 153,166,647</u>	<u>\$ 164,241,354</u>
Other Uses:					
Interfund Transfers	7,371,457	6,534,979	6,454,486	2,063,855	340,000
Total Expenditures and Other Uses	<u>\$ 155,762,620</u>	<u>\$ 155,788,090</u>	<u>\$ 147,869,322</u>	<u>\$ 155,230,502</u>	<u>\$ 164,581,354</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,572,055</u>	<u>(907,642)</u>	<u>-</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	-	-	55,391,270	907,642	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,963,325</u>	<u>\$ -</u>	<u>\$ -</u>

**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 5,340,000	\$ 2,349,463	\$ 7,689,463
2027	5,500,000	2,194,263	7,694,263
2028	5,660,000	2,033,463	7,693,463
2029	5,825,000	1,866,863	7,691,863
2030	6,005,000	1,694,113	7,699,113
2031	6,185,000	1,514,988	7,699,988
2032	6,370,000	1,329,288	7,699,288
2033	6,555,000	1,136,813	7,691,813
2034	6,760,000	937,213	7,697,213
2035	6,965,000	730,063	7,695,063
2036	5,425,000	538,813	5,963,813
2037	5,205,000	373,938	5,578,938
2038	3,465,000	260,163	3,725,163
2039	3,530,000	190,213	3,720,213
2040	3,605,000	116,609	3,721,609
2041	3,685,000	39,153	3,724,153
<b>TOTALS</b>	<b>\$ 86,080,000</b>	<b>\$ 17,305,413</b>	<b>\$ 103,385,413</b>

**APPENDIX - B1**  
**North Colonie CSD**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2021 Capital Project			2023 Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
	2026	\$ 3,820,000	\$ 1,229,213	\$ 5,049,213	\$ 1,520,000	\$ 1,120,250
2027	3,900,000	1,152,013	5,052,013	1,600,000	1,042,250	2,642,250
2028	3,980,000	1,073,213	5,053,213	1,680,000	960,250	2,640,250
2029	4,055,000	992,863	5,047,863	1,770,000	874,000	2,644,000
2030	4,145,000	910,863	5,055,863	1,860,000	783,250	2,643,250
2031	4,230,000	827,113	5,057,113	1,955,000	687,875	2,642,875
2032	4,315,000	741,663	5,056,663	2,055,000	587,625	2,642,625
2033	4,395,000	654,563	5,049,563	2,160,000	482,250	2,642,250
2034	4,490,000	565,713	5,055,713	2,270,000	371,500	2,641,500
2035	4,575,000	475,063	5,050,063	2,390,000	255,000	2,645,000
2036	3,325,000	396,063	3,721,063	2,100,000	142,750	2,242,750
2037	3,400,000	328,813	3,728,813	1,805,000	45,125	1,850,125
2038	3,465,000	260,163	3,725,163	-	-	-
2039	3,530,000	190,213	3,720,213	-	-	-
2040	3,605,000	116,609	3,721,609	-	-	-
2041	3,685,000	39,153	3,724,153	-	-	-
<b>TOTALS</b>	<b>\$ 62,915,000</b>	<b>\$ 9,953,288</b>	<b>\$ 72,868,288</b>	<b>\$ 23,165,000</b>	<b>\$ 7,352,125</b>	<b>\$ 30,517,125</b>

**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 Commission 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 EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission 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 Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (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.

For the purposes of the event identified in paragraph (l) of this section, 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 governmental 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.

## FORM OF BOND COUNSEL'S OPINION

June 25, 2026

North Colonie Central School District,  
County of Albany,  
State of New York

Re: North Colonie Central School District, Albany County, New York  
\$56,000,000 Bond Anticipation Notes, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$56,000,000 Bond Anticipation Notes, 2026 (the "Obligation"), of the North Colonie Central School District, County of Albany, State of New York (the "Obligor"), dated June 25, 2026 in the denomination of \$ \_\_\_\_\_, bearing interest at the rate of \_\_\_\_\_% per annum, payable at maturity, and maturing June 25, 2027.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. 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 Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, 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.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
ALBANY COUNTY, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**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.**

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
FINANCIAL REPORT  
JUNE 30, 2025**

# NORTH COLONIE CENTRAL SCHOOL DISTRICT

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BUSINESS  
ADVISORS  
AND CPAS

## INDEPENDENT AUDITOR'S REPORT

To the President and Members  
of the Board of Education of the  
North Colonie Central School District

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund of the North Colonie Central School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the North Colonie Central School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Colonie Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

As noted in Note 10 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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 North Colonie Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15, budgetary comparison information on pages 59-60, schedule of changes in total OPEB liability on page 61 schedules of proportionate share of net pension (liability) (asset) on page 62 and schedules of district contributions on page 63 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 North Colonie Central School District's basic financial statements. The supplementary information on pages 64-67 is presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 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 on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mengel, Metzger, Barw & Co. LLP*

Latham, NY  
October 9, 2025

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

The following is a discussion and analysis of North Colonie Central School District's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- Government-wide net position of the District was \$(47,180,997) at June 30, 2025. The deficit is primarily the results of continuing effects of GASB Statement 75, "Account and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions," which requires the recognition of an unfunded liability of \$130,773,315 at June 30, 2025. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficits in subsequent years.
- Government-wide net deficit was \$7,892,741 less than at July 1, 2024. The primary factor contributing to this were decrease in OPEB liability \$3,996,843 and capital outlays of \$2,615,698.
- The School District's 2024/2025 general fund expenditures were less than the budget by \$6,607,561.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual financial 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 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 regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others, including the employees of the School District.

**North Colonic Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

The financial statements also include notes that provide additional information about the financial statements and 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 below shows how the various parts of this annual report are arranged and related to one another.

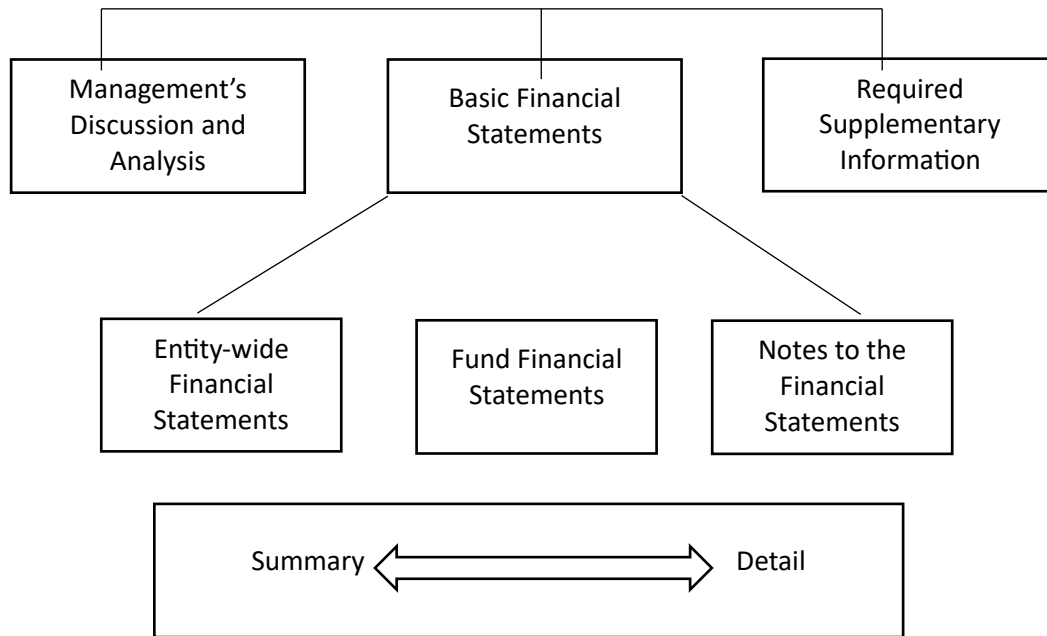


Table A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Table A-2 Major Features of the District-Wide and Fund Financial Statements**

	<b><u>District-wide Statements</u></b>	<b><u>Governmental Funds Statements</u></b>	<b><u>Fiduciary Funds</u></b>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as regular and special education, transportation and building maintenance	Instances in which the District administers resources on behalf of someone else.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focused
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.

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**District-Wide Statements**

The School District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred 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, liabilities and deferred inflows of resources - is one way to measure the 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.
  
- To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities, and the performance of the students.

In the district-wide financial statements, the School District's activities are shown as *Governmental activities*: Most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

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

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of account that involves the following steps to format the Statement of New Position:

- Capitalize current outlays for capital and lease assets;
- Report long-term debt and leases as a liability;
- Depreciate capital assets and allocate the depreciation to the proper function;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
  - 1) Net position invested in capital assets, net of related debt;
  - 2) Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
  - 3) Unrestricted net position is net position that does not meet any of the above restrictions.

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**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:

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 that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. 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, special revenue fund, school lunch 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 equity.
  
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities fund. 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 finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. The District currently has no funds that meet this criteria.

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Table A-3 shows a two-year analysis of the District's net position.

**Table A-3: Condensed Statements of Net Position**

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2025</u>	<u>Restated 2024</u>	
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 86,193,390	\$ 68,168,566	\$ 18,024,824
Capital and Lease Assets	156,176,541	158,973,900	(2,797,359)
<b>Total Assets</b>	<b><u>\$ 242,369,931</u></b>	<b><u>\$ 227,142,466</u></b>	<b><u>\$ 15,227,465</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	<b><u>\$ 45,417,116</u></b>	<b><u>\$ 56,719,153</u></b>	<b><u>\$ (11,302,037)</u></b>
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 237,638,489	\$ 269,451,293	\$ (31,812,804)
Other Liabilities	14,124,534	11,419,204	2,705,330
<b>Total Liabilities</b>	<b><u>\$ 251,763,023</u></b>	<b><u>\$ 280,870,497</u></b>	<b><u>\$ (29,107,474)</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	<b><u>\$ 83,205,021</u></b>	<b><u>\$ 58,064,860</u></b>	<b><u>\$ 25,140,161</u></b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital and Lease Assets	\$ 69,470,683	\$ 65,187,551	\$ 4,283,132
Restricted	53,598,122	43,662,661	9,935,461
Unrestricted	(170,249,802)	(163,923,950)	(6,325,852)
<b>Total Net Position</b>	<b><u>\$ (47,180,997)</u></b>	<b><u>\$ (55,073,738)</u></b>	<b><u>\$ 7,892,741</u></b>

During 2025, the school district's total net position changed by 14% primarily due to the school district recognizing net pension asset for both the NYS Teachers Retirement System.

**Changes in Net Position**

The School Districts Fiscal year in 2025 revenues totaled approximately \$161 million. Property taxes and state formula aid accounted for most of the School District's revenue by contributing 59% and 29% respectively, of every dollar earned. The remainder came from fees charged for services, operation grants and other miscellaneous sources. These revenues are shown in table A-4.

The total cost of all programs and services totaled approximately \$153 million for fiscal year 2025. These expenses (95%) are predominantly support to general support, instruction, and transportation. These expenses are shown in table A-4.

Table A-4 shows a two-year analysis of the districts revenues and expenditures for the 2025 and 2024 school years.

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

Table A-4 Changes in Net Position from Operating Results

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2025</u>	<u>Restated 2024</u>	
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 3,195,833	\$ 3,166,522	\$ 29,311
Operating Grants & Contributions	8,490,875	7,162,110	1,328,765
Capital Grants & Contributions	-	-	-
<b>Total Program</b>	<b>\$ 11,686,708</b>	<b>\$ 10,328,632</b>	<b>\$ 1,358,076</b>
<b><u>General -</u></b>			
Property Taxes	\$ 95,976,713	\$ 93,551,469	\$ 2,425,244
State and Federal Aid	48,004,014	45,665,047	2,338,967
Investment Earnings	4,024,276	3,520,660	503,616
Compensation for Loss	150,208	214,398	(64,190)
Miscellaneous	1,149,348	1,264,334	(114,986)
<b>Total General</b>	<b>\$ 149,304,559</b>	<b>\$ 144,215,908</b>	<b>\$ 5,088,651</b>
<b>TOTAL REVENUES</b>	<b>\$ 160,991,267</b>	<b>\$ 154,544,540</b>	<b>\$ 6,446,727</b>
<b><u>EXPENSES:</u></b>			
General Support	\$ 22,299,120	\$ 20,567,253	\$ 1,731,867
Instruction	116,071,368	124,937,574	(8,866,206)
Pupil Transportation	8,358,914	8,419,710	(60,796)
Community Services	40,832	22,504	18,328
School Lunch	4,488,515	3,801,469	687,046
Interest	1,839,777	2,728,104	(888,327)
<b>TOTAL EXPENSES</b>	<b>\$ 153,098,526</b>	<b>\$ 160,476,614</b>	<b>\$ (7,378,088)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 7,892,741</b>	<b>\$ (5,932,074)</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>(55,073,738)</b>	<b>(49,141,664)</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ (47,180,997)</b>	<b>\$ (55,073,738)</b>	

**North Colonic Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

Table A-5 Sources of Revenue for Fiscal Year 2025

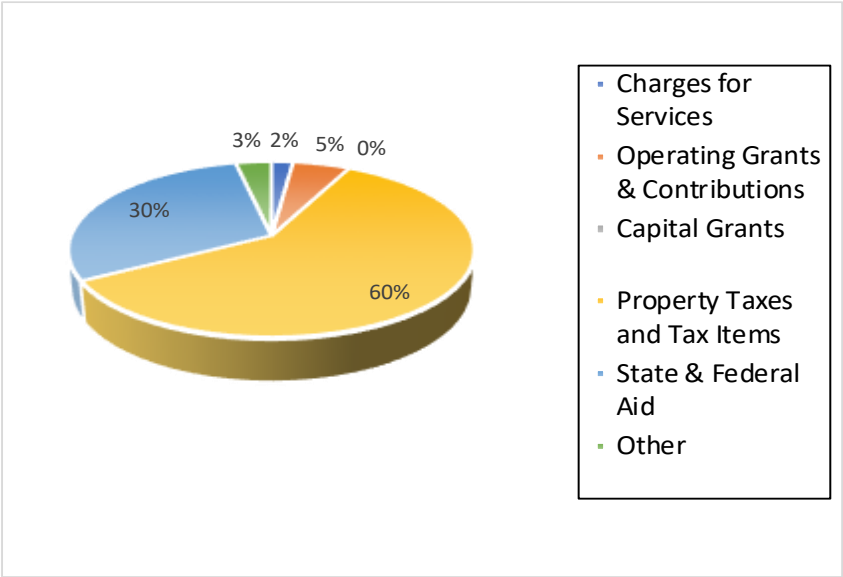
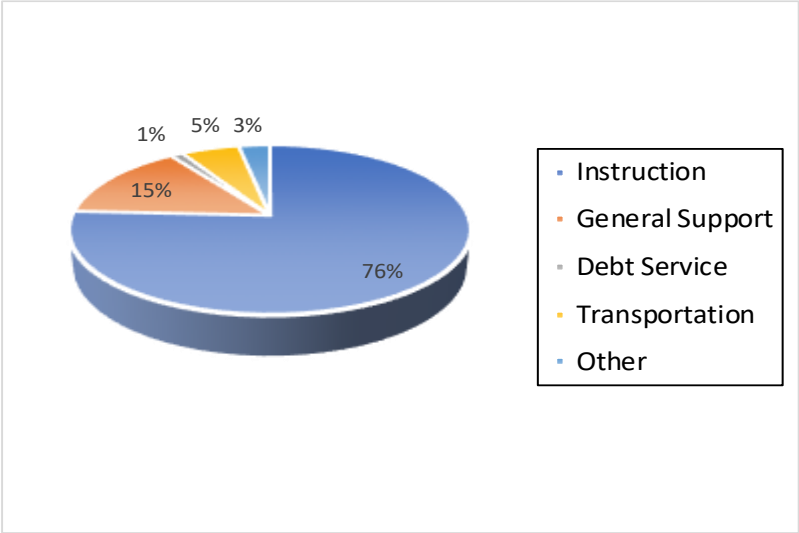


Table A-6 Expenditures for Fiscal Year 2025



**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Governmental Activities**

Revenue for the School District's governmental activities totaled \$160,991,267, 4% more than the previous fiscal year. Total expenses equaled \$153,098,526, 4% less than the previous fiscal year. The net result of the change in the School District's financial condition can be credited to:

- Increased New York State Foundation Aid, which enabled the District to expand instructional staffing levels in response to rising student enrollment and evolving student needs.
- A favorable interest rate environment, which led to investment returns exceeding budget expectations, as anticipated cuts to the Federal Funds Rate did not occur.
- Easing inflationary pressures during the fiscal year, which resulted in cost savings across various expense categories.

The table A-7 below presents the cost of major district areas. The table also shows each activity's net cost, (total cost less fees generated by the activity and grants received for specific programs). The total net cost shows the financial burden placed on the district.

**TableA-7**

**Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2025</u>	<u>2023</u>	<u>Change</u>
General Support	\$ 22,299,120	\$ 20,567,253	-8.42%	\$ 22,042,922	\$ 20,387,880	-8.12%
Instruction	116,071,398	124,937,574	7.10%	109,506,016	118,500,890	7.59%
Pupil Transportation	8,358,914	8,419,710	0.72%	8,358,914	8,419,710	0.72%
Debt Service Interest	1,839,777	2,728,104	32.56%	1,839,777	2,728,104	32.56%
School Lunch Program	4,488,515	3,801,469	-18.07%	(376,643)	88,894	523.70%
Other	40,832	22,504	-81.44%	40,832	22,504	-81.44%
<b>Total</b>	<u>\$ 153,098,556</u>	<u>\$ 160,476,614</u>		<u>\$ 141,411,818</u>	<u>\$ 150,147,982</u>	

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUND**

Variations between years for the governmental fund financial statements are different from variations between years for 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 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 current payments for debt.

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

General Fund – The general fund, fund balance increased by \$3,572,055.

School Lunch Fund – The school lunch funds, fund balance, increased by \$301,634.

Special Revenue Fund – The special revenue funds, fund balance, increased by \$40,537.

Capital Projects Fund – The capital projects fund, fund balance increased by \$2,062,055.

**CAPITAL AND LEASE ASSET AND DEBT ADMINISTRATION**

By the end of fiscal year 2025, the District has invested \$156,176,541, net of accumulated depreciation and amortization, in a broad range of capital and lease assets.

**Table A-8 Capital and Lease Assets (Net of Depreciation and Amortization)**

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
<b><u>Capital Assets:</u></b>		
Land	\$ 700,705	\$ 700,705
Work in Progress	33,167,958	29,021,575
Land Improvements	269,176	317,336
Buildings and Improvements	113,652,405	121,290,453
Machinery and Equipment	2,727,055	2,395,109
Vehicles	4,243,242	3,993,585
<b>Total Capital Assets</b>	<u>\$ 154,760,541</u>	<u>\$ 157,718,763</u>
<b><u>Lease Assets:</u></b>		
Equipment	\$ 1,416,000	\$ 1,255,137
<b>Grand Total</b>	<u><u>\$ 156,176,541</u></u>	<u><u>\$ 158,973,900</u></u>

**North Colonie Central School District  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

**Long-Term Debt**

As of June 30, 2025, the District had outstanding long-term liabilities of \$237,638,489. The various obligations are listed below in Table A-9.

<u>Type</u>	<u>2025</u>	<u>Restated 2024</u>
Serial Bonds	\$ 86,080,000	\$ 91,280,000
Premium	3,974,185	4,563,055
Retainage Payable	-	181,661
OPEB	130,773,315	153,347,230
Net Pension Liability	8,278,154	10,858,224
Workers Compensation	1,553,132	1,437,590
Compensated Absences	6,979,703	7,783,533
<b>Total Long-Term Obligations</b>	<b><u>\$ 237,638,489</u></b>	<b><u>\$ 269,451,293</u></b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

At the time these financial statements were prepared and audited, the School District was aware of several existing factors that could significantly impact its future financial health:

- The Property Tax Levy Cap, established under Chapter 97 of the Laws of 2011, continues to limit the District’s ability to raise tax revenue in support of future operating expenditures.
- Ongoing economic pressures will continue to create a challenging environment for school finance. Uncertainty in interest rates, rising employee benefit costs, and increasing retirement contribution rates all contribute to a more constrained fiscal outlook for the District.
- While the impact of tariffs on the procurement of goods and services has not yet been realized, potential changes in federal policy—particularly reductions in grant funding—could place additional strain on the General Fund budget.
- Future fluctuations in state revenues, as well as the overall health of the state budget, may affect the level of state aid the District receives.

Looking ahead, the District remains committed to transparency, fiscal responsibility, and continuous improvement. We will continue to monitor economic conditions and state funding policies closely, while striving to meet the educational needs of our students in a sustainable and responsible manner.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

Dr. Brian Carey  
Assistant Superintendent for Business  
North Colonie Central School District  
Administration Building  
91 Fiddlers Lane  
Latham, NY 12110

# NORTH COLONIE CENTRAL SCHOOL DISTRICT

## Statement of Net Position

June 30, 2025

### ASSETS

Cash and cash equivalents	\$ 15,983,875
Restricted cash and cash equivalents	24,362,297
Investments	858,342
Restricted investments	30,000,012
Accounts receivable	5,557,884
Inventories	148,533
Prepaid items	10,000
Net pension asset	9,272,447
Capital assets, net	154,760,541
Lease assets, net	1,416,000
<b>TOTAL ASSETS</b>	<b><u>\$ 242,369,931</u></b>

### DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources	<b><u>\$ 45,417,116</u></b>
--------------------------------	-----------------------------

### LIABILITIES

Accounts payable	\$ 2,882,617
Accrued liabilities	3,402,996
Refundable advances	142,137
Due to other governments	6,616
Due to teachers' retirement system	6,962,592
Due to employees' retirement system	727,576
<b>Long-Term Obligations:</b>	
Due in one year	6,196,338
Due in more than one year	231,442,151
<b>TOTAL LIABILITIES</b>	<b><u>\$ 251,763,023</u></b>

### DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	<b><u>\$ 83,205,021</u></b>
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### NET POSITION

Net investment in capital and lease assets	\$ 69,470,683
Restricted	53,598,122
Unrestricted	(170,249,802)
<b>TOTAL NET POSITION</b>	<b><u>\$ (47,180,997)</u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Statement of Activities**  
**For The Year Ended June 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General support	\$ 22,299,120	\$ 256,198	\$ -	\$ -	\$ (22,042,922)
Instruction	116,071,368	2,570,085	3,995,267	-	(109,506,016)
Pupil transportation	8,358,914	-	-	-	(8,358,914)
Community services	40,832	-	-	-	(40,832)
School lunch	4,488,515	369,550	4,495,608	-	376,643
Interest	1,839,777	-	-	-	(1,839,777)
<b>Total Functions/Programs</b>	<b>\$ 153,098,526</b>	<b>\$ 3,195,833</b>	<b>\$ 8,490,875</b>	<b>\$ -</b>	<b>\$ (141,411,818)</b>

**General Revenues:**

Property taxes and other tax items	\$ 95,976,713
State and federal aid	48,004,014
Investment earnings	4,024,276
Compensation for loss	150,208
Miscellaneous	1,149,348
<b>Total General Revenues</b>	<b>\$ 149,304,559</b>
Changes in Net Position	\$ 7,892,741
<b>Net Position, Beginning of Year, As Originally Reported</b>	<b>(51,790,367)</b>
Cumulative Effect of Change in Accounting Principle (Note 10)	(3,283,371)
<b>Net Position, Beginning of Year, As Restated</b>	<b>(55,073,738)</b>
<b>Net Position, End of Year</b>	<b>\$ (47,180,997)</b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds  
June 30, 2025**

	<b>General Fund</b>	<b>Special Aid Fund</b>	<b>School Lunch Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 15,238,579	\$ -	\$ 745,296	\$ -	\$ -	\$ 15,983,875
Restricted cash and cash equivalents	23,315,635	-	-	230,254	816,408	24,362,297
Investments	-	-	858,342	-	-	858,342
Restricted investments	27,290,114	-	-	177,979	2,531,919	30,000,012
Receivables	3,937,783	1,285,693	334,408	-	-	5,557,884
Inventories	-	-	148,533	-	-	148,533
Due from other funds	1,429,036	3,095	47,376	-	-	1,479,507
Prepaid items	10,000	-	-	-	-	10,000
<b>TOTAL ASSETS</b>	<b><u>\$ 71,221,147</u></b>	<b><u>\$ 1,288,788</u></b>	<b><u>\$ 2,133,955</u></b>	<b><u>\$ 408,233</u></b>	<b><u>\$ 3,348,327</u></b>	<b><u>\$ 78,400,450</u></b>
<b>LIABILITIES AND FUND EQUITY (DEFICIENCY)</b>						
<b>Liabilities -</b>						
Accounts payable	\$ 2,279,950	\$ 276,700	\$ 31,096	\$ -	\$ 294,871	\$ 2,882,617
Accrued liabilities	2,231,073	-	14,808	-	-	2,245,881
Due to other funds	-	1,008,993	-	-	470,514	1,479,507
Due to other governments	6,576	-	40	-	-	6,616
Due to TRS	6,962,592	-	-	-	-	6,962,592
Due to ERS	727,576	-	-	-	-	727,576
Refundable Advances	50,055	3,095	88,987	-	-	142,137
<b>TOTAL LIABILITIES</b>	<b><u>\$ 12,257,822</u></b>	<b><u>\$ 1,288,788</u></b>	<b><u>\$ 134,931</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 765,385</u></b>	<b><u>\$ 14,446,926</u></b>
<b>Fund Equity (Deficiency) -</b>						
Nonspendable	\$ 10,000	\$ -	\$ 148,533	\$ -	\$ -	\$ 158,533
Restricted	50,605,749	-	1,198	408,233	2,582,942	53,598,122
Assigned	2,138,356	-	1,849,293	-	-	3,987,649
Unassigned	6,209,220	-	-	-	-	6,209,220
<b>TOTAL FUND EQUITY (DEFICIENCY)</b>	<b><u>\$ 58,963,325</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,999,024</u></b>	<b><u>\$ 408,233</u></b>	<b><u>\$ 2,582,942</u></b>	<b><u>\$ 63,953,524</u></b>
<b>TOTAL LIABILITIES AND FUND EQUITY (DEFICIENCY)</b>	<b><u>\$ 71,221,147</u></b>	<b><u>\$ 1,288,788</u></b>	<b><u>\$ 2,133,955</u></b>	<b><u>\$ 408,233</u></b>	<b><u>\$ 3,348,327</u></b>	

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

Capital assets/lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	156,176,541
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(1,157,115)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(86,080,000)
OPEB	(130,773,315)
Compensated absences	(6,979,703)
Unamortized premium	(3,974,185)
Workers' compensation claims	(1,553,132)
Net pension asset	9,272,447
Deferred outflow - pension	26,034,031
Deferred outflow - OPEB	19,383,085
Net pension liability	(8,278,154)
Deferred inflow - pension	(12,099,548)
Deferred inflow - OPEB	(71,105,473)
<b>Net Position of Governmental Activities</b>	<b><u>\$ (47,180,997)</u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Equity**  
**Governmental Funds**  
**For The Year Ended June 30, 2025**

	<b>General Fund</b>	<b>Special Aid Fund</b>	<b>School Lunch Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Real property taxes and tax items	\$ 95,976,713	\$ -	\$ -	\$ -	\$ -	\$ 95,976,713
Charges for services	2,826,283	-	-	-	-	2,826,283
Use of money and property	3,771,497	-	38,195	604	214,005	4,024,301
Sale of property and compensation for loss	150,528	-	-	-	-	150,528
Miscellaneous	712,342	-	4,141	432,865	-	1,149,348
State sources	47,921,183	760,527	1,891,921	-	-	50,573,631
Federal sources	82,831	3,234,740	2,603,687	-	-	5,921,258
Sales	-	-	369,550	-	-	369,550
<b>TOTAL REVENUES</b>	<b>\$ 151,441,377</b>	<b>\$ 3,995,267</b>	<b>\$ 4,907,494</b>	<b>\$ 433,469</b>	<b>\$ 214,005</b>	<b>\$ 160,991,612</b>
<b>EXPENDITURES</b>						
General support	\$ 15,949,620	\$ 36,717	\$ -	\$ -	\$ -	\$ 15,986,337
Instruction	77,323,852	4,020,366	-	392,932	-	81,737,150
Pupil transportation	6,582,998	216,576	-	-	-	6,799,574
Community services	40,832	-	-	-	-	40,832
Employee benefits	33,818,121	-	-	-	-	33,818,121
Debt service - principal	5,200,000	-	-	-	-	5,200,000
Debt service - interest	2,499,413	-	-	-	-	2,499,413
Cost of sales	-	-	4,478,367	-	-	4,478,367
Capital outlay	-	-	127,493	-	5,009,849	5,137,342
<b>TOTAL EXPENDITURES</b>	<b>\$ 141,414,836</b>	<b>\$ 4,273,659</b>	<b>\$ 4,605,860</b>	<b>\$ 392,932</b>	<b>\$ 5,009,849</b>	<b>\$ 155,697,136</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 10,026,541</b>	<b>\$ (278,392)</b>	<b>\$ 301,634</b>	<b>\$ 40,537</b>	<b>\$ (4,795,844)</b>	<b>\$ 5,294,476</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers - in	\$ -	\$ 278,392	\$ -	\$ -	\$ 6,176,094	\$ 6,454,486
Transfers - out	(6,454,486)	-	-	-	-	(6,454,486)
Proceeds from leases	-	-	-	-	681,805	681,805
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (6,454,486)</b>	<b>\$ 278,392</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,857,899</b>	<b>\$ 681,805</b>
<b>NET CHANGE IN FUND EQUITY</b>	<b>\$ 3,572,055</b>	<b>\$ -</b>	<b>\$ 301,634</b>	<b>\$ 40,537</b>	<b>\$ 2,062,055</b>	<b>\$ 5,976,281</b>
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<b>55,391,270</b>	<b>-</b>	<b>1,697,390</b>	<b>367,696</b>	<b>520,887</b>	<b>57,977,243</b>
<b>FUND EQUITY, END OF YEAR</b>	<b>\$ 58,963,325</b>	<b>\$ -</b>	<b>\$ 1,999,024</b>	<b>\$ 408,233</b>	<b>\$ 2,582,942</b>	<b>\$ 63,953,524</b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Reconciliation of Statement of Revenues, Expenditures, and Changes in**  
**Fund Equity of the Governmental Funds to the Statement of Activities**  
**For The Year Ended June 30, 2025**

<b>NET CHANGE IN FUND EQUITY -</b>		
<b>TOTAL GOVERNMENTAL FUNDS</b>		\$ 5,976,281
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital and lease outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. The following are the amounts by which capital and lease outlays and additions of assets in excess of depreciation or amortization in the current period:</p>		
Capital Outlay, including retainage	\$ 6,477,173	
Gain(loss) on capital asset sale	(320)	
Lease Additions, Net	681,805	
Depreciation and Amortization	<u>(9,774,356)</u>	
		(2,615,698)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:</p>		
Debt and Lease Repayments	<u>\$ 5,200,000</u>	
		5,200,000
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		70,766
<p>The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.</p>		
		(3,966,843)
<p>(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds</p>		
Teachers' Retirement System		1,333,971
Employees' Retirement System		617,106
<p>Portion of deferred (inflow) / outflow recognized in long term debt</p>		
		588,870
<p>In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:</p>		
Compensated Absences	803,830	
Workers' Compensation Claims	<u>(115,542)</u>	
		<u>688,288</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 7,892,741</u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***A. Reporting Entity***

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the District. 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.

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 in the District's business offices. The district accounts for assets held as an agent for various student organizations in the special revenue fund.

***B. Joint Venture***

The District is a component district in Albany-Schoharie-Schenectady Board of Cooperative Educational Services (BOCES). 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.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***B. Joint Venture***

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

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, §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 \$5,740,916 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,461,350. Financial statements for the BOCES are available from the BOCES administrative office.

***C. Basis of Presentation***

***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 non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program 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 payroll expended to 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.

***Fund financial statements***

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***C. Basis of Presentation***

***I. Governmental Funds***

The District reports the following major governmental funds:

1. 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.

2. Special Revenue Funds

These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

a) Special Aid Fund

Used to account for proceeds received from the State and Federal grants that are restricted for specific educational programs.

b) School Lunch

Used to account for child nutrition activities whose funds are restricted as to use.

c) Special Revenue Fund

Used to account for proceeds from various funding sources, which may be restricted by a donor or designated by the District for specific purposes. The transactions of the extraclassroom activity funds and scholarships are included in this fund.

3. Capital Projects Funds

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities and equipment or the right-of-use capital facilities and other capital and intangible assets.

***II. Fiduciary Funds***

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

1. Private purpose trust funds

These funds are used to account for trust arrangements under principal and income benefits individuals, private organizations or other governments. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***C. Basis of Presentation***

***II. Fiduciary Funds***

2. Custodial funds

These funds are strictly custodial in nature and do not involve the measurement of results of operations.

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

***D. Basis of Accounting/Measurement Focus***

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

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

The District-wide 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. Non- exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available if collected within sixty days of the fiscal year.

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***E. Refundable Advances***

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

***F. Property taxes***

***I. Calendar***

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 19, 2024. Taxes are collected during the period September 1, to October 31.

***II. Enforcement***

Uncollected real property taxes are subsequently enforced by the County of Albany, in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

***G. 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.

***H. Budgetary Procedures and Budgetary Accounting***

***I. Budget Policies***

The budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the line-item level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not located in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred for the year ended June 30, 2025:

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***H. Budgetary Procedures and Budgetary Accounting***

***I. Budget Policies***

From Additional Revenues:	
Expenditures associated with donations	\$ 17,549
Expenditures associated with state aid	2,500
Expenditures associated with PSAT fees	5,421
<b>Total Supplemental Appropriations</b>	<b>\$ 25,470</b>

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

***II. Encumbrances***

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund equity 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.

***III. Budget Basis of Accounting***

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District’s financial statements.

***I. Cash and Investments:***

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The District's investments policies are government by State statutes. District resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury, U.S Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposits not covered by the 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 School Districts. Investments are stated at fair value. Certain cash balances are restricted by various legal contractual obligations, such as legal reserves or debt agreements.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***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.

***K. Inventories and prepaid items***

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

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. A portion of the fund equity in the amount of these non-liquid assets have been identified as not available for other subsequent expenditures.

***L. 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 expenditure and revenues to provided financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorization.

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

***M. Equity Classifications***

District-wide statements:

In the district-wide statements there are three classes of net positions:

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***M. Equity Classifications***

**Net Investment in capital and lease assets:** consists of net capital assets (cost less accumulated depreciation), lease assets (less accumulated amortization) plus deferred loss on bond issuance plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets and unamortized bond premium and retainage payable and lease liabilities.

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

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

Fund Statements:

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

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

	<b>Total</b>
Inventory in School Lunch Fund	\$ 148,533
Prepaid items in General Fund	10,000
<b>Total Nonspendable Fund Equity</b>	<b>\$ 158,533</b>

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

Workers' Compensation

According to General Municipal Law §6-j, these reserve funds must be used to pay compensation and benefits, medical, hospital, or other expenses authorized by Article 2 of the Workers' Compensation Law and to pay the expenses of administering a self-insurance workers' compensation program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year the Board may elect to transfer all or part of the excess amount to certain other reserve funds, or may apply all or part of the excess to the budget appropriation of the next succeeding fiscal year.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***M. Equity Classifications***

Unemployment

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.

Retirement Contribution Reserve

According to General Municipal Law §6-r, this reserve 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 reserve 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. A Board may adopt a resolution establishing sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payments into the sub-fund 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.

Capital Reserve

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

Employee Benefit Accrued Liability Reserve

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

Tax Certiorari Reserve

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***M. Equity Classifications***

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purposes 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 unexpended bond proceeds or the proceeds of the sale of District property.

Insurance Reserve

According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund 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.

Special Revenue Fund

Restricted for scholarships for students that meet donor specified criteria and restricted for Extraclassroom Activity Funds.

Restricted fund equity includes the following:

	<b><u>Total</u></b>
<b><u>General Fund -</u></b>	
Workers' Compensation	\$ 1,601,663
Unemployment Costs	742,613
Retirement Contribution - ERS	11,753,406
Retirement Contribution - TRS	6,245,172
Insurance	1,818,639
Tax Certiorari	2,468,160
Debt	9,704,424
Capital Reserves	9,291,969
Employee Benefit Accrued Liability	6,979,703
<b><u>Capital Fund -</u></b>	
Voter Approved Projects	2,582,942
<b><u>Special Revenue Fund -</u></b>	
Extraclassroom Activity Funds	333,844
Scholarships	74,389
<b><u>School Lunch Fund -</u></b>	
Encumbrances	1,198
<b>Total Restricted Fund Equity</b>	<b><u><u>\$ 53,598,122</u></u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***M. Equity Classifications***

Special Revenue Fund

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

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

Assigned fund equity includes the following:

	<u><b>Total</b></u>
General Fund - Encumbrances	\$ 1,230,714
General Fund - Appropriated for Taxes	907,642
School Lunch Fund - Year End Equity	<u>1,849,293</u>
<b>Total Assigned Fund Equity</b>	<u><b>\$ 3,987,649</b></u>

*Encumbrances*

Encumbrances accounting, under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations.

Purpose of Encumbrances:

**General Fund -**

General Support	\$ 131,677
Instruction	252,615
Pupil Transportation	<u>846,422</u>
<b>Total General Fund Encumbrances</b>	<u><b>\$ 1,230,714</b></u>

**School Lunch Fund -**

Capital Improvements	\$ 1,198
<b>Total Capital Fund Encumbrances</b>	<u><b>\$ 1,198</b></u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***M. Equity Classifications***

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund equity of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation, and the District did not exceed this limit at June 30, 2025.

**Net Position/Fund Equity**

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

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

**Order of Use of Fund Equity**

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

***N. Postemployment Benefits***

In addition to providing the retirement benefits described in Note 3.B.I, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. See Note 5.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***O. Capital Assets and Lease Assets***

Capital Assets

Capital assets are reported at actual cost when such data is available. For assets in which there was no data available, estimated historical cost, based on appraisals conducted by independent third-party professionals were used. Additions, improvements and other capital outlays that significantly extended the useful life of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (the dollar 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>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 1,000	N/A	N/A
Building Improvements	\$ 1,000	SL	15-50 Years
Machinery and Equipment	\$ 1,000	SL	5-20 Years
Vehicles	\$ 1,000	SL	4-10 Years

Lease Assets

The District-wide financial statements, lease assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated replacement of the assets.

***P. Deferred Outflows and Inflows of Resources***

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***P. Deferred Outflows and Inflows of Resources***

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

***Q. Short-term Debt***

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

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 an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

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

***R. Payables, 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 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.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***S. Explanation Of Certain Differences Between Governmental Fund Statements And District-Wide Statements***

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

a. Total fund equity of governmental funds vs. net assets of governmental activities

Total fund equity of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital and lease assets and long-term liabilities, including pensions.

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

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

***Long-term revenue and expense differences:***

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

***Capital and lease related differences:***

Capital and lease 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 or amortization expense on those items as recorded in the Statement of Activities.

***Long-term debt transaction differences:***

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas 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.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***S. Explanation Of Certain Differences Between Governmental Fund Statements And District-Wide Statements***

***Pension differences:***

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

***OPEB difference:***

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

***T. Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported 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 compensated absence, other postemployment benefits, potential contingent liabilities, net pension asset/liability, deferred outflows/inflows and useful lives of long-lived assets.

***U. Employee Benefits - Compensated Absences***

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

District employees 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.

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

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***V. Implementation of New Accounting Standards***

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of 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, which had a significant impact on the District, see Note 10.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025, which had no significant impact on the District.

***W. Future Changes in Accounting Standards***

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

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

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

**2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY**

***A. Unassigned Fund Balance***

The District's unassigned fund balance in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District did not exceed this amount at June 30, 2025.

**3. DETAILED NOTES ON ALL FUNDS**

***A. Assets***

***I. Cash and Investments***

Deposits

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

Investment and Deposit Policy

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**I. Cash and Investments**

Interest Rate Risk

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

Credit Risk

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

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities

Custodial Credit Risk

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

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

Investments

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

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**I. Cash and Investments**

Investments

Level 2: Inputs to the valuation methodology include:

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

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

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

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

Total investments of the NYLAF cooperative as of September 30, 2024, based on audited numbers are \$992,870,969, which consisted of \$256,800,000 in repurchase agreements, \$219,242,560, in collateralized bank deposits, \$516,828,409 in U.S. Government Agency Obligations. Note subsequent to year end NYLAF merged with NYCLASS.

At June 30, 2025 the District held \$30,858,354 in investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

<b>Investment in Securitiues at Value</b>	<b>Valuation Inputs</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
General Fund	\$ -	\$ 27,290,114	\$ -	\$ 27,290,114
School Lunch Fund	-	858,342	-	858,342
Special Revenue Fund	-	177,979	-	177,979
Capital Projects Fund	-	2,531,919	-	2,531,919
<b>Total</b>	<b>\$ -</b>	<b>\$ 30,858,354</b>	<b>\$ -</b>	<b>\$ 30,858,354</b>

The above amount represents the fair value of the investment pool shares. For the year ended June 30, 2025, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level3) which were used in determining fair value is not applicable.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**I. Cash and Investments**

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

Risks and Uncertainties with Investments

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

Restricted Cash and Investments

Restricted cash and investments consists of the following:

	<b><u>Total</u></b>
<b><u>General Fund -</u></b>	
Workers' Compensation	\$ 1,601,663
Unemployment Costs	742,613
Retirement Contribution - ERS	11,753,406
Retirement Contribution - TRS	6,245,172
Insurance	1,818,639
Tax Certiorari	2,468,160
Debt	9,704,424
Capital Reserves	9,291,969
Employee Benefit Accrued Liability	6,979,703
<b><u>Capital Projects Fund -</u></b>	
Voter approved projects	3,348,327
<b><u>Special Revenue Fund</u></b>	
Scholarships	74,389
Extraclassroom Activity Fund	333,844
<b>Total Restricted Cash and Investments</b>	<b><u>\$ 54,362,309</u></b>

**II. Receivables**

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

	<b>Governmental Activities</b>				
	<b>General Fund</b>	<b>Special Aid Fund</b>	<b>Capital Projects Fund</b>	<b>School Lunch Fund</b>	
Accounts Receivable	\$ 165,850	\$ -	\$ -	\$ -	\$ 165,850
Due From State and Federal	988,699	1,285,693	-	334,408	2,608,800
Due From Other Governments	2,783,234	-	-	-	2,783,234
<b>Total Receivables</b>	<b><u>\$ 3,937,783</u></b>	<b><u>\$ 1,285,693</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 334,408</u></b>	<b><u>\$ 5,557,884</u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

*A. Assets*

*III. Interfund Receivables and Payables*

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

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

	<b>Interfund</b>			
	<u><b>Receivables</b></u>	<u><b>Payables</b></u>	<u><b>Revenues</b></u>	<u><b>Expenditures</b></u>
General Fund	\$ 1,429,036	\$ -	\$ -	\$ 6,454,486
Special Aid Fund	3,095	1,008,993	278,392	-
School Lunch Fund	47,376	-	-	-
Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	470,514	6,176,094	-
<b>Total</b>	<u><b>\$ 1,479,507</b></u>	<u><b>\$ 1,479,507</b></u>	<u><b>\$ 6,454,486</b></u>	<u><b>\$ 6,454,486</b></u>

The District typically transfers from the General Fund to the Special Aid fund to pay its share of the special education summer school program its students attended and Capital Projects fund for the local share of the projects.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**IV. Capital Assets**

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

<u>Type</u>	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 700,705	\$ -	\$ -	\$ 700,705
Work in progress	29,021,575	4,146,383	-	33,167,958
<i>Total Nondepreciable</i>	<u>\$ 29,722,280</u>	<u>\$ 4,146,383</u>	<u>\$ -</u>	<u>\$ 33,868,663</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Land Improvements	\$ 1,898,057	\$ -	\$ -	\$ 1,898,057
Buildings and Improvements	191,863,510	253,911	-	192,117,421
Machinery and Equipment	7,241,770	744,146	23,353	7,962,563
Vehicles	9,703,024	1,151,072	824,979	10,029,117
<i>Total Depreciated Assets</i>	<u>\$ 210,706,361</u>	<u>\$ 2,149,129</u>	<u>\$ 848,332</u>	<u>\$ 212,007,158</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Land Improvements	\$ 1,580,721	\$ 48,160	\$ -	\$ 1,628,881
Buildings and Improvements	70,573,057	7,891,959	-	78,465,016
Machinery and Equipment	4,846,661	411,880	23,033	5,235,508
Vehicles	5,709,439	901,415	824,979	5,785,875
<i>Total Accumulated Depreciation</i>	<u>\$ 82,709,878</u>	<u>\$ 9,253,414</u>	<u>\$ 848,012</u>	<u>\$ 91,115,280</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 127,996,483</u>	<u>\$ (7,104,285)</u>	<u>\$ 320</u>	<u>\$ 120,891,878</u>
<b>Total Capital Assets</b>	<u><b>\$ 157,718,763</b></u>	<u><b>\$ (2,957,902)</b></u>	<u><b>\$ 320</b></u>	<u><b>\$ 154,760,541</b></u>

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

	<u>Depreciation</u>
General Support	\$ 1,478,006
Instruction	7,165,380
Pupil Transportation	610,028
Total	<u><u><b>\$ 9,253,414</b></u></u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

General Information:

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

Plan Descriptions

*Teachers' Retirement System*

The TRS is administered by the New York State Teachers' Retirement Board. 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 (NYSRSSL). The System is governed by a 10-member Board of Trustees. 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 New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 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](http://www.nystrs.org).

*Employees' Retirement System*

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. This is a cost-sharing multiple-employer retirement system. 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. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to New York State and Local Retirement

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

*Employees' Retirement System*

System, 110 State Street, Albany, New York 12244 or found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

**Contributions**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% 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 for the ERS' fiscal year ended March 31. Pursuant to Article 11 of the Educational Law the New York State Teachers' Retirement Board establishes rates annually for TRS.

The District's share of the required contributions for the current year and two preceding years based on covered payroll paid for the District was:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ 2,618,806	\$ 5,791,470
2024	\$ 2,099,428	\$ 5,887,130
2023	\$ 2,099,793	\$ 5,887,219

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

**Pension Liabilities**

At June 30, 2025, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total 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.

**Pension Liabilities**

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Net pension assets/(liability)	\$ (8,278,154)	\$ 9,272,447
District's portion of the Plan's total net pension asset/(liability)	0.048%	0.311%

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

**B. Liabilities**

**I. Pension Plans**

Pension Expense (Credit)

For the year ended June 30, 2025, the District's recognized its proportionate share of pension expense of \$1,812,055 for ERS and \$5,100,035 for TRS.

*Deferred Outflows and Inflows of Resources Related to Pensions*

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

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 2,054,694	\$ 9,984,723	\$ 96,921	\$ -
Changes of assumptions	347,169	5,546,802	-	933,024
Net difference between projected and actual earnings on pension plan investments	649,481	-	-	10,302,479
Changes in proportion and differences between the District's contributions and proportionate share of contributions	605,656	1,707	166,689	600,435
Subtotal	<u>\$ 3,657,000</u>	<u>\$ 15,533,232</u>	<u>\$ 263,610</u>	<u>\$ 11,835,938</u>
District's contributions subsequent to the measurement date	727,576	6,116,223	-	-
<b>Grand Total</b>	<b><u><u>\$ 4,384,576</u></u></b>	<b><u><u>\$ 21,649,455</u></u></b>	<b><u><u>\$ 263,610</u></u></b>	<b><u><u>\$ 11,835,938</u></u></b>

*Pension Expense (Credit)*

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, 2025 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:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ -	\$ (5,013,028)
2026	1,617,295	11,206,209
2027	2,285,560	(1,983,692)
2028	(623,322)	(2,165,152)
2029	113,857	1,191,149
Thereafter	-	461,808
<b>Total</b>	<b><u><u>\$ 3,393,390</u></u></b>	<b><u><u>\$ 3,697,294</u></u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

*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	5.90%	6.95%
Salary scale	4.30%	5.18%-1.95%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

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

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, 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 to June 30, 2020. Additionally, for TRS, assumptions are computed by the TRS Office of the Actuary and adopted by the TRS. The actuarial assumptions are based upon recent TRS member experience. Detailed assumption information may be found in the TRS annual actuarial valuation report

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

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.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

*Actuarial Assumptions*

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized as follows:

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

*Discount Rate*

The discount rate used to calculate the total pension 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 determined. 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 liability.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

*Sensitivity of the Proportionate Share of The Net Pension 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-percentagepoint lower (4.9% for ERS and 5.95% for TRS) or 1-percentagepoint higher (6.9% for ERS and 7.95% for TRS) than the current rate:

<u>ERS</u>	<b>1% Decrease (4.90%)</b>	<b>Current Assumption (5.90%)</b>	<b>1% Increase (6.90%)</b>
Employer's proportionate share of the net pension asset (liability)	\$ (23,958,020)	\$ (8,278,154)	\$ 4,814,544

<u>TRS</u>	<b>1% Decrease (5.95%)</b>	<b>Current Assumption (6.95%)</b>	<b>1% Increase (7.95%)</b>
Employer's proportionate share of the net pension asset (liability)	\$ (42,829,968)	\$ 9,272,447	\$ 53,091,976

*Changes in Assumptions*

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

*Collective Pension Expense*

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows or resources and deferred inflows of resources for the current period. The Collection pension expense for the year ended June 30, 2025 is \$2,076,658 for ERS and \$4,819,023 for TRS.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

*Payables to the Pension Plan*

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$727,576.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$6,962,592.

*Other Benefits*

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

***II. Indebtedness***

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. There were no BANS's outstanding at June 30, 2025.

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provisions to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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

Interest Paid	\$ 2,499,413
Less: Amortization of Premium	(588,870)
Less: Interest Accrued in the Prior Year	(1,227,881)
Plus: Interest Accrued in the Current Year	1,157,115
<b>Total Long-Term Interest Expense</b>	<b><u>\$ 1,839,777</u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***II. Indebtedness***

Long-Term Debt

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

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

	<b>Restated Balance 7/1/2024</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2025</b>	<b>Due Within One Year</b>
<b><u>Governmental Activities:</u></b>					
<b><u>Bonds and Notes Payable -</u></b>					
Serial Bonds	\$ 91,280,000	\$ -	\$ 5,200,000	\$ 86,080,000	\$ 5,340,000
Premium	4,563,055	-	588,870	3,974,185	554,524
<b>Total Bonds and Notes Payable</b>	<b>\$ 95,843,055</b>	<b>\$ -</b>	<b>\$ 5,788,870</b>	<b>\$ 90,054,185</b>	<b>\$ 5,894,524</b>
<b><u>Other Liabilities -</u></b>					
Net Pension Liability	\$ 10,858,224	\$ 962,433	\$ 3,542,503	\$ 8,278,154	\$ -
Workers' Compensation	1,437,590	115,542	-	1,553,132	-
OPEB	153,347,230	13,308,149	35,882,064	130,773,315	-
Retainage Payable	181,661	-	181,661	-	-
Compensated Absences	7,783,533	-	803,830	6,979,703	301,814
<b>Total Other Liabilities</b>	<b>\$ 173,608,238</b>	<b>\$ 14,386,124</b>	<b>\$ 40,410,058</b>	<b>\$ 147,584,304</b>	<b>\$ 301,814</b>
<b>Total Long-Term Obligations</b>	<b>\$ 269,451,293</b>	<b>\$ 14,386,124</b>	<b>\$ 46,198,928</b>	<b>\$ 237,638,489</b>	<b>\$ 6,196,338</b>

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

The above liabilities are liquidated by the general fund.

The District obtained a bond for \$94,137,680 subsequent to June 30, 2025, approved by the BOE April 23, 2025.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**3. DETAILED NOTES ON ALL FUNDS**

***B. Liabilities***

***II. Indebtedness***

Long-Term Debt

The following is a summary of long-term indebtedness:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2025</u>
2021 District-Wide Renovations	\$ 73,940,000	2021	2041	2.00%-2.125%	\$ 62,915,000
2023 District-Wide Renovations	24,615,000	2023	2036	5.00%	23,165,000
<b>Total Serial Bonds</b>					<b><u><u>\$ 86,080,000</u></u></b>

The following is a summary of maturing debt service requirements for serial bonds and the energy performance contract:

Long-Term Debt

<u>Year</u>	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2026	\$ 5,340,000	\$ 2,349,463	\$ 554,524
2027	5,500,000	2,194,263	518,735
2028	5,660,000	2,033,463	481,296
2029	5,825,000	1,866,863	442,208
2030	6,005,000	1,694,113	401,294
2031-35	32,835,000	5,648,362	1,324,743
2036-40	21,230,000	1,479,734	244,254
2041	3,685,000	39,153	7,131
<b>Total</b>	<b><u><u>\$ 86,080,000</u></u></b>	<b><u><u>\$ 17,305,414</u></u></b>	<b><u><u>\$ 3,974,185</u></u></b>

***III. Constitutional Debt Limit***

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the district. At June 30, 2025, the District has exhausted 14.66% of its constitutional debt limit.

***IV. Deferred Outflows and Inflows of Resources***

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 26,034,031	\$ 12,099,548
OPEB	19,383,085	71,105,473
<b>Total</b>	<b><u><u>\$ 45,417,116</u></u></b>	<b><u><u>\$ 83,205,021</u></u></b>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**4. COMMITMENTS AND CONTINGENCIES**

General

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, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

The District does not purchase insurance for the risk of losses for unemployment and workers' compensation claims. Instead, the District manages its risks for these losses internally and accounts for these in the District's general fund, including provisions for unexpected and unusual claims.

Workers' Compensation Plan

The District is self-insured for workers compensation benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. The District has contracted with Benetech, Inc. as a third-party administrator of the District's workers' compensation insurance program. All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2025 have been recorded as liabilities within accounts payable. The District establishes workers compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount.

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

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The District has also established a Workers' Compensation Reserve with a balance of \$1,601,663.

The following represents changes in those aggregate liabilities for the District during 2025:

	<u>2025</u>	<u>2024</u>
Unpaid claims and claim adjustment expenses - beginning of year	\$ 1,438,221	\$ 1,023,511
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenses for events of the current year	403,378	358,134
Increase (decrease) in provision for incurred events of prior years	(11,689)	(98,411)
Total Incurred Claims and Claim Adjustment Expenses	<u>391,689</u>	<u>259,723</u>
Payments made for claims during the current year	<u>(276,778)</u>	<u>(245,231)</u>
Total Unpaid Claims and Claim Adjustment Expenses - End of Year	<u>\$ 1,553,132</u>	<u>\$ 1,438,221</u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**4. COMMITMENTS AND CONTINGENCIES**

*Litigation*

The District has been named as a defendant in several tax certiorari cases. A review by management and the District's attorneys indicate these actions are substantial enough to materially affect the financial position of the District, however the District believes the tax certiorari reserve of approximately \$2.5 million is adequate to cover any potential settlements that could occur. There are currently pending proceedings with the United States District Court by a former student alleging discrimination under the Fourth Amendment. The District is vigorously defending the matter. The contingent liability cannot be determined this time.

The District received a Notice of Claim from a former employee for violations of free speech under the First Amendment in the Fall 2023. The claimant has not filed a lawsuit. The District's insurer is providing a defense for the claims under this reservation, the District denies any asserted claims. If a lawsuit is filed, the District intends to vigorously contest the claims. It is the opinion of management and attorneys that all potential losses will be covered by insurance or not materially affect the District.

*Other Items*

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

*Commitments*

The District has various commitments with contractors for the completion of capital projects over the next several years.

**5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE**

*Plan Description*

The District administers a defined benefit OPEB plan that provides OPEB for all employees who meet the TRS/ERS eligibility requirements. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. 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 Statement 75.

*Funding Policy*

The obligations of the Plan members and the employers are established by action of the District pursuant to applicable collective bargaining and other employee agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach eligibility for retirement under ERS/TRS age 55 and have 5 years of service to qualify for other postemployment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE**

*Benefits Provided*

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

*Employees Covered by Benefit Terms*

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

Inactive employees or beneficiaries currently receiving benefit payments	453
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	969
<b>Total</b>	<b>1422</b>

*Total OPEB Liability*

The District's total OPEB liability was measured as of June 30, 2025 and was determined by an actuarial valuation date of January 1, 2025.

*Actuarial Assumptions and Other Inputs*

The total OPEB liability at June 30, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60 percent
Salary Increases	Varies by pension retirement system membership
Discount Rate	4.81 percent
Healthcare Cost Trend Rates	Initial rate of 6.60% decreasing to an ultimate rate of 4.04% by 2075 for Medical/Rx trends Initial rate of 1.03% for 2025 to 2026, increasing to 4.75% then decreasing to an ultimate rate of 4.04% by 2076 for Part B trends
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on S + P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on Pub-2010 Headcount-Weighted table for General Employees for ERS group projected fully generationally using MP-2021.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit. Marriage assumption, it was assumed that active employees will maintain their current marital status. Each eligible employee will retire with the maximum number of sick days allowed and use them as contributions to their retiree premium.

For current retirees, actual consensus information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
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**5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE**

*Changes in the Total OPEB Liability*

Balance at June 30, 2024	\$ 153,347,230
<u>Changes for the Year -</u>	
Service cost	\$ 6,608,380
Interest	6,656,825
Changes of benefit terms	42,944
Differences between expected and actual experience	(25,405,769)
Changes in assumptions or other inputs	(6,765,545)
Benefit payments	<u>(3,710,750)</u>
Net Changes	<u>\$ (22,573,915)</u>
<b>Balance at June 30, 2025</b>	<b><u>\$ 130,773,315</u></b>

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

*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:

	<b>1% Decrease (3.81%)</b>	<b>Discount Rate (4.81%)</b>	<b>1% Increase (5.81%)</b>
Total OPEB Liability	\$ 153,217,396	\$ 130,773,315	\$ 112,807,363

*Sensitivity of the Total OPEB Liability to Change 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 (5.6%) or 1 percentage point higher (7.6%) than the current healthcare cost trend rate:

	<b>1% Decrease (5.6% Decreasing to 3.04%)</b>	<b>Healthcare Cost Trend Rates (6.6% Decreasing to 4.04%)</b>	<b>1% Increase (7.6% Decreasing to 5.04%)</b>
Total OPEB Liability	\$ 109,666,404	\$ 130,773,315	\$ 158,259,665

*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 OPEB expense of \$7,677,593.

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
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JUNE 30, 2025**

**5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 35,047,909
Changes of assumptions	19,383,085	36,057,564
Contributions after measurement date	-	-
<b>Total</b>	<b>\$ 19,383,085</b>	<b>\$ 71,105,473</b>

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

Fiscal Year Ending June 30,

<u>Year</u>			
2026	\$	(5,630,560)	
2027		(6,479,196)	
2028		(6,479,200)	
2029		(10,326,859)	
2030		(10,061,565)	
Thereafter		(12,745,008)	
<b>Total</b>	<b>\$</b>	<b>(51,722,388)</b>	

**6. EMPLOYEE BENEFIT ALLOCATION**

Employee benefits expense for the year ended June 30, 2025 was allocated to specific functions as follows:

General Support	\$ 5,613,647
Instruction	27,214,992
Pupil Transportation	2,316,960
<b>Total</b>	<b>\$ 35,145,599</b>

**7. TAX ABATEMENTS**

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**7. TAX ABATEMENTS**

(wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The District has three real property tax abatement agreements entered into by the Town of Colonie IDA. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) in compliance with tax exemption policy. PILOTs are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, development of a new facility, or the improvement, or expansion of an existing facility to promote job creation or retention. There are no policies for recapture of PILOTs should the applicant not meet certain criteria. The amount of property tax abated in the School District for the year ended June 30, 2025 was approximately \$968,787.

PILOT revenue recognized during the year was \$449,640.

**8. LEASE ASSETS AND OBLIGATIONS**

**Lease Assets**

The District leases various copiers and equipment, primarily through Capital Region Board of Cooperative Educational Services. The leases do not contain renewal options. The leases have various inception dates and remaining terms 40-60 months.

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

<u>Type</u>	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
<b>Lease Assets:</b>				
Equipment	\$ 1,699,630	\$ 681,805	\$ -	\$ 2,381,435
<b>Total Lease Assets</b>	<b>\$ 1,699,630</b>	<b>\$ 681,805</b>	<b>\$ -</b>	<b>\$ 2,381,435</b>
<b>Less Accumulated Amortization -</b>				
Equipment	\$ 444,493	\$ 520,942	\$ -	\$ 965,435
<b>Total Accumulated Amortization</b>	<b>\$ 444,493</b>	<b>\$ 520,942</b>	<b>\$ -</b>	<b>\$ 965,435</b>
<b>Total Lease Assets, Net</b>	<b>\$ 1,255,137</b>	<b>\$ 160,863</b>	<b>\$ -</b>	<b>\$ 1,416,000</b>

Lease amortization expense of \$520,942 is allocated to instruction.

**9. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 9, 2025, which is the date these financial statements were available to be issued. There was one event that required recognition in which an estimated liability was accrued at June 30, 2025 within the general fund accrued liabilities for approximately \$487,500 for a settlement claim related to a contract liability within the scope of a capital project. All subsequent events requiring recognition as of June 30, 2025 have been incorporated into these statements herein.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**10. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE**

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

The District's net position has been restated as follows:

	<b>Government-Wide <u>Statements</u></b>
Net position beginning of year, as previously stated	\$ (51,790,367)
Adjustments for compensated absences	<u>(3,283,371)</u>
Net position beginning of year, as restated	<u><u>\$ (55,073,738)</u></u>

**Required Supplementary Information**  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Equity**  
**Budget and Actual - General Fund**  
**For The Year Ended June 30, 2025**

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
<b>REVENUES</b>				
<b>Local Sources -</b>				
Real property taxes	\$ 92,343,770	\$ 92,343,770	\$ 92,270,868	\$ (72,902)
Real property tax items	3,871,406	3,871,406	3,705,845	(165,561)
Charges for services	2,065,316	2,070,733	2,826,283	755,550
Use of money and property	1,805,512	1,805,520	3,771,497	1,965,977
Sale of property and compensation for loss	113,000	113,000	150,528	37,528
Miscellaneous	500,983	518,528	712,342	193,814
<b>State Sources -</b>				
Basic formula	34,713,124	34,713,124	33,952,859	(760,265)
Lottery aid	9,271,091	9,271,091	10,127,524	856,433
BOCES	2,098,448	2,098,448	2,461,350	362,902
Textbooks	374,003	374,003	377,286	3,283
<b>All Other Aid -</b>				
Computer software	199,188	199,188	196,083	(3,105)
Library loan	44,081	44,081	43,393	(688)
Other aid	531	3,031	713,834	710,803
<b>Federal Sources</b>	<u>150,000</u>	<u>150,000</u>	<u>82,831</u>	<u>(67,169)</u>
<b>TOTAL REVENUES</b>	<u>\$ 147,550,453</u>	<u>\$ 147,575,923</u>	<u>\$ 151,441,377</u>	<u>\$ 3,865,454</u>
<b>Other Sources -</b>				
Transfer - in	<u>\$ 5,705,580</u>	<u>\$ 5,705,580</u>	<u>\$ -</u>	<u>\$ (5,705,580)</u>
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<u>\$ 153,256,033</u>	<u>\$ 153,281,503</u>	<u>\$ 151,441,377</u>	<u>\$ (1,840,126)</u>
Appropriated reserves	<u>\$ -</u>	<u>\$ -</u>		
Appropriated fund equity	<u>\$ 836,393</u>	<u>\$ 836,393</u>		
Prior year encumbrances	<u>\$ 1,670,194</u>	<u>\$ 1,670,194</u>		
<b>TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND EQUITY</b>	<u><u>\$ 155,762,620</u></u>	<u><u>\$ 155,788,090</u></u>		

**Required Supplementary Information**  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Equity -**  
**Budget and Actual - General Fund**  
**For The Year Ended June 30, 2025**

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 141,060	\$ 149,120	\$ 117,167	\$ 159	\$ 31,794
Central administration	553,390	566,415	563,512	-	2,903
Finance	1,152,437	1,184,313	1,121,275	3,717	59,321
Staff	1,023,556	1,182,308	1,084,056	449	97,803
Central services	12,480,108	12,621,427	11,554,088	127,352	939,987
Special items	1,098,816	1,564,958	1,509,522	-	55,436
<b>Instructional -</b>					
Instruction, administration and improvement	10,061,484	10,337,267	10,236,635	4,756	95,876
Teaching - regular school	43,701,067	42,887,361	42,340,606	73,931	472,824
Programs for children with handicapping conditions	14,307,581	14,716,365	13,846,003	2,543	867,819
Occupational education	-	-	-	-	-
Teaching - special schools	326,500	429,757	418,051	829	10,877
Instructional media	3,276,082	3,036,090	2,671,573	164,064	200,453
Pupil services	7,686,076	8,110,188	7,810,984	6,492	292,712
<b>Pupil Transportation</b>	7,169,235	8,116,535	6,582,998	846,422	687,115
<b>Community Services</b>	-	42,014	40,832	-	1,182
<b>Employee Benefits</b>	37,714,358	36,609,580	33,818,121	-	2,791,459
<b>Debt service - principal</b>	5,200,000	5,200,000	5,200,000	-	-
<b>Debt service - interest</b>	2,499,413	2,499,413	2,499,413	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 148,391,163</u>	<u>\$ 149,253,111</u>	<u>\$ 141,414,836</u>	<u>\$ 1,230,714</u>	<u>\$ 6,607,561</u>
<b>Other Uses -</b>					
Transfers - out	\$ 7,371,457	\$ 6,534,979	\$ 6,454,486	\$ -	\$ 80,493
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 155,762,620</u>	<u>\$ 155,788,090</u>	<u>\$ 147,869,322</u>	<u>\$ 1,230,714</u>	<u>\$ 6,688,054</u>
<b>NET CHANGE IN FUND EQUITY</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,572,055</u>		
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<u>55,391,270</u>	<u>55,391,270</u>	<u>55,391,270</u>		
<b>FUND EQUITY, END OF YEAR</b>	<u><u>\$ 55,391,270</u></u>	<u><u>\$ 55,391,270</u></u>	<u><u>\$ 58,963,325</u></u>		

Required Supplementary Information  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
Schedule of Changes in Total OPEB Liability  
For The Year Ended June 30, 2025

**TOTAL OPEB LIABILITY**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 6,608,380	\$ 6,490,085	\$ 6,159,457	\$ 8,941,062	\$ 9,547,384	\$ 6,678,614	\$ 6,681,773	\$ 6,432,823
Interest	6,656,825	6,246,982	5,526,342	4,138,890	4,069,763	4,998,530	4,905,782	4,743,137
Changes in benefit terms	42,944	-	-	-	-	(4,238,775)	-	-
Differences between expected and actual experiences	(25,405,769)	(352,929)	(5,922,629)	(341,035)	(13,708,908)	(3,479,392)	(6,399,771)	-
Changes of assumptions or other inputs	(6,765,545)	(2,003,710)	(7,555,174)	(42,207,342)	11,321,299	38,108,364	13,188,887	(16,141,063)
Benefit payments	<u>(3,710,750)</u>	<u>(3,567,426)</u>	<u>(3,223,329)</u>	<u>(3,294,887)</u>	<u>(3,026,395)</u>	<u>(3,345,660)</u>	<u>(2,122,353)</u>	<u>(2,082,479)</u>
<b>Net Change in Total OPEB Liability</b>	<b>\$ (22,573,915)</b>	<b>\$ 6,813,002</b>	<b>\$ (5,015,333)</b>	<b>\$ (32,763,312)</b>	<b>\$ 8,203,143</b>	<b>\$ 38,721,681</b>	<b>\$ 16,254,318</b>	<b>\$ (7,047,582)</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 153,347,230</b>	<b>\$ 146,534,228</b>	<b>\$ 151,549,561</b>	<b>\$ 184,312,873</b>	<b>\$ 176,109,730</b>	<b>\$ 137,388,049</b>	<b>\$ 121,133,731</b>	<b>\$ 128,181,313</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 130,773,315</b>	<b>\$ 153,347,230</b>	<b>\$ 146,534,228</b>	<b>\$ 151,549,561</b>	<b>\$ 184,312,873</b>	<b>\$ 176,109,730</b>	<b>\$ 137,388,049</b>	<b>\$ 121,133,731</b>
Covered Employee Payroll	\$ 69,532,948	\$ 76,169,790	\$ 76,987,758	\$ 67,307,561	\$ 60,579,875	\$ 61,532,625	\$ 60,538,298	\$ 61,443,643
Total OPEB Liability as a Percentage of Covered Employee Payroll	188.07%	201.32%	190.33%	225.16%	304.25%	286.21%	226.94%	197.15%

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

**Required Supplementary Information**  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedules of the Proportionate Share of the Net Pension (Liability) Asset**  
**For The Year Ended June 30, 2025**

**NYSERS Pension Plan**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension (liability) assets	0.0483%	0.0497%	0.0498%	0.0442%	0.0455%	0.0451%	0.0450%	0.0468%	0.0494%	0.0517%
Proportionate share of the net pension (liability) assets	\$ (8,278,154)	\$ (7,315,721)	\$ (10,675,000)	\$ 3,610,000	\$ (45,000)	\$ (11,943,000)	\$ (3,187,000)	\$ (1,509,000)	\$ (4,639,000)	\$ (8,297,000)
Covered-employee payroll	\$ 15,349,007	\$ 18,431,589	\$ 17,174,000	\$ 15,361,000	\$ 15,564,000	\$ 15,225,000	\$ 15,268,000	\$ 14,946,000	\$ 14,573,000	\$ 14,718,000
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	-53.933%	-39.691%	-62.158%	23.501%	-0.289%	-78.443%	-20.874%	-10.096%	-31.833%	-56.373%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

**NYSTRS Pension Plan**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension (liability) assets	0.3108%	0.3098%	0.3098%	0.2983%	0.2967%	0.2940%	0.2848%	0.2805%	0.2832%	0.2832%
Proportionate share of the net pension (liability) assets	\$ 9,272,447	\$ (3,542,503)	\$ (5,945,000)	\$ 51,694,000	\$ (8,200,000)	\$ 7,639,000	\$ 5,150,000	\$ 2,132,000	\$ (3,033,000)	\$ (29,411,000)
Covered-employee payroll	\$ 62,451,724	\$ 61,625,250	\$ 57,213,000	\$ 54,885,000	\$ 50,633,000	\$ 50,365,000	\$ 49,576,000	\$ 46,372,000	\$ 45,295,000	\$ 42,534,000
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	14.847%	-5.748%	-10.391%	94.186%	-16.195%	15.167%	10.388%	4.598%	-6.696%	-69.147%
Plan fiduciary net position as a percentage of the total pension liability	102.10%	99.20%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%

**Required Supplementary Information**  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedules of District Contributions**  
**For The Year Ended June 30, 2025**

**NYSERS Pension Plan**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 2,618,806	\$ 2,099,428	\$ 2,100,000	\$ 1,691,000	\$ 2,173,000	\$ 2,186,000	\$ 2,122,000	\$ 2,160,000	\$ 2,205,000	\$ 2,660,000
Contributions in relation to the contractually required contribution	(2,618,806)	(2,099,428)	(2,100,000)	(1,691,000)	(2,173,000)	(2,186,000)	(2,122,000)	(2,160,000)	(2,205,000)	(2,660,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 15,349,007	\$ 18,431,589	\$ 17,174,000	\$ 15,361,000	\$ 15,564,000	\$ 15,225,000	\$ 15,268,000	\$ 14,946,000	\$ 14,573,000	\$ 14,718,000
Contributions as a percentage of covered-employee payroll	17.06%	11.39%	12.23%	11.01%	13.96%	14.36%	13.90%	14.45%	15.13%	18.07%

**NYSTRS Pension Plan**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 5,791,470	\$ 5,887,130	\$ 5,887,000	\$ 5,379,000	\$ 4,825,000	\$ 5,212,000	\$ 4,547,000	\$ 5,209,000	\$ 5,794,000	\$ 7,456,000
Contributions in relation to the contractually required contribution	(5,791,470)	(5,887,130)	(5,887,000)	(5,379,000)	(4,825,000)	(5,212,000)	(4,547,000)	(5,209,000)	(5,794,000)	(7,456,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 62,451,724	\$ 61,625,250	\$ 57,213,000	\$ 54,885,000	\$ 50,633,000	\$ 50,365,000	\$ 49,576,000	\$ 46,372,000	\$ 45,295,000	\$ 42,534,000
Contributions as a percentage of covered-employee payroll	9.27%	9.55%	10.29%	9.80%	9.53%	10.35%	9.17%	11.23%	12.79%	17.53%

**Supplementary Information**  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedule of Changes From Adopted Budget To Final Budget**  
**And The Schedule of Real Property Tax Limit**  
**For The Year Ended June 30, 2025**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:**

Adopted budget		\$ 154,092,426
Prior year's encumbrances		1,670,194
		155,762,620
<b>Original Budget</b>		<b>155,762,620</b>
Budget revisions -		
Donations		17,549
State Aid		2,500
PSAT fees		5,421
		155,788,090
<b>FINAL BUDGET</b>		<b>\$ 155,788,090</b>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:**

2025-26 voter approved expenditure budget		\$ 155,230,502
<u>Unrestricted fund equity:</u>		
Assigned fund equity	\$ 2,138,356	
Unassigned fund equity	6,209,220	
Total Unrestricted fund equity	\$ 8,347,576	
<u>Less adjustments:</u>		
Appropriated fund equity	\$ 907,642	
Encumbrances included in assigned fund equity	1,230,714	
Total adjustments	\$ 2,138,356	
General fund fund equity subject to Section 1318 of		
Real Property Tax Law		6,209,220
<b>ACTUAL PERCENTAGE</b>		<b>4.00%</b>

Supplementary Information  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedule of Project Expenditures - Capital Projects Fund**  
**For The Year Ended June 30, 2025**

Project Title	Project Number	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing				Fund Equity	
				Prior Years	Current Year	Total		Obligations	Local Sources	State Sources	Total		
Blue Creek	0003-007	\$ 172,833	\$ 2,141,194	\$ 2,034,700	\$ -	\$ 2,034,700	\$ 106,494	\$ -	\$ -	\$ -	\$ -	\$ (2,034,700)	
Blue Creek	0003-008	150,000	150,000	129,208	-	129,208	20,792	-	129,208	-	-	129,208	-
Blue Creek	0003-009	49,828	49,828	71,441	-	71,441	(21,613)	-	49,828	-	-	49,828	(21,613)
Loudonville	0004-008	420	197,164	2,930,490	-	2,930,490	(2,733,326)	2,812,339	-	-	-	2,812,339	(118,151)
Loudonville	0004-009	4,121	50,000	70,000	-	70,000	(20,000)	-	50,000	-	-	50,000	(20,000)
Loudonville	0004-010	439,603	439,603	260,143	-	260,143	179,460	-	439,603	-	-	439,603	179,460
Shaker High School	0005-010	1,240,000	685,150	1,566,332	-	1,566,332	(881,182)	-	1,566,332	-	-	1,566,332	-
Shaker High School	0005-011	983,546	1,842,818	7,358,402	-	7,358,402	(5,515,584)	7,230,170	-	-	-	7,230,170	(128,232)
Shaker High School	0005-012	945,000	945,000	319,030	-	319,030	625,970	-	319,030	-	-	319,030	-
Shaker High School	0005-013	23,489	23,489	265,954	-	265,954	(242,465)	-	285,000	-	-	285,000	19,046
Shaker High School	0005-014	1,992,512	9,321,203	11,251,521	-	11,251,521	(1,930,318)	11,251,521	-	-	-	11,251,521	-
Shaker High School	0005-015	-	4,285	-	-	-	4,285	-	-	-	-	-	-
Shaker High School	0005-016	84,848	84,848	252,694	-	252,694	(167,846)	-	84,848	-	-	84,848	(167,846)
Shaker High School	0005-018	-	110,475	3,294,744	-	3,472,218	177,474	-	3,361,743	-	-	-	(3,472,218)
Shaker High School	0005-020	-	-	-	-	2,652,393	2,652,393	-	4,000,000	-	-	4,000,000	1,347,607
Southgate	0006-006	636,526	4,744,382	5,406,958	-	5,406,958	(662,576)	1,827,551	-	-	-	1,827,551	(3,579,407)
Southgate	0006-007	100,000	100,000	67,455	-	67,455	32,545	-	67,455	-	-	67,455	-
Southgate	0006-008	30,907	30,907	265,119	-	265,119	(234,212)	-	375,000	-	-	375,000	109,881
Southgate	0006-009	48,076	48,076	62,642	-	62,642	(14,566)	-	48,076	-	-	48,076	(14,566)
Boght Hills	0007-004	1,167,595	5,206,530	5,042,484	-	5,042,484	164,046	-	-	-	-	-	(5,042,484)
Boght Hills	0007-005	290,000	290,000	240,541	-	240,541	49,459	-	240,541	-	-	240,541	-
Boght Hills	0007-006	12,775	12,775	140,341	-	140,341	(127,566)	-	155,000	-	-	155,000	14,659
Boght Hills	0007-007	40,200	40,200	50,534	-	50,534	(10,334)	-	40,200	-	-	40,200	(10,334)
Forts Ferry	0008-006	420	434,643	4,309,804	-	4,309,804	(3,875,161)	-	-	-	-	-	(4,309,804)
Forts Ferry	0008-007	75,000	75,000	225,870	-	225,870	(150,870)	-	225,870	-	-	225,870	-
Forts Ferry	0008-008	21,016	21,016	278,744	-	278,744	(257,728)	-	255,000	-	-	255,000	(23,744)
Forts Ferry	0008-009	234,844	234,844	84,798	-	84,798	150,046	-	234,844	-	-	234,844	150,046
Shaker Junior High	0009-006	13,646,400	51,884,913	56,441,854	-	56,441,854	(4,556,941)	52,645,970	3,744,524	-	-	56,390,494	(51,360)
Shaker Junior High	0009-008	40,000	40,000	18,884	-	18,884	21,116	-	18,884	-	-	18,884	-
Shaker Junior High	0009-009	33,791	33,791	46,482	-	46,482	(12,691)	-	410,000	-	-	410,000	363,518
Shaker Junior High	0009-010	-	15,739	352,116	-	352,116	(336,377)	-	-	-	-	-	(352,116)
Shaker Junior High	0009-011	74,619	74,619	53,334	-	53,334	21,285	-	74,619	-	-	74,619	21,285
Shaker Junior High	0009-012	-	324,425	986,897	76,438	1,063,335	(738,910)	-	-	-	-	-	(1,063,335)
Latham Ridge	0011-006	420	282,394	4,323,121	-	4,323,121	(4,040,727)	-	775,342	-	-	775,342	(3,547,779)
Latham Ridge	0011-007	15,000	15,000	3,917	-	3,917	11,083	-	3,917	-	-	3,917	-
Latham Ridge	0011-008	131,456	131,456	1,002,038	-	1,002,038	(870,582)	-	1,595,000	-	-	1,595,000	592,962
Latham Ridge	0011-009	57,453	57,453	59,218	-	59,218	(1,765)	-	57,453	-	-	57,453	(1,765)
Maplewood Emergency 2019	0030-002	-	-	64,037	-	64,037	(64,037)	-	64,323	-	-	64,323	286
Goodrich	1002-002	20,604	250,000	528,755	-	528,755	(278,755)	-	250,000	-	-	250,000	(278,755)
Goodrich	1002-003	52,736	52,736	56,058	-	56,058	(3,322)	-	56,058	-	-	56,058	-
Goodrich	1002-004	43,776	43,776	34,929	-	34,929	8,847	-	43,776	-	-	43,776	8,847
District Capital	1621-2425	\$ -	\$ -	\$ -	\$ -	\$ 663,495	\$ 663,495	\$ -	\$ 1,705,580	\$ -	\$ -	\$ 1,705,580	\$ 1,042,085

Supplementary Information  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedule of Project Expenditures - Capital Projects Fund**  
**For The Year Ended June 30, 2025**

Project Title	Project Number	Expenditures					Unexpended Balance	Methods of Financing			Fund Equity	
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Obligations	Local Sources	State Sources		Total
District Capital	1621-2425	\$ -	\$ -	\$ -	\$ 663,495	\$ 663,495	\$ -	\$ -	\$ 1,705,580	\$ -	\$ 1,705,580	\$ 1,042,085
District Capital	2110-2425	-	-	-	287,730	287,730	-	-	214,005	-	214,005	(73,725)
Storage Building	2034-001	2,819	219,922	232,178	-	232,178	(12,256)	-	-	-	-	(232,178)
Bus Garage	5015-004	33,201	419,852	609,256	-	609,256	(189,404)	-	-	-	-	(609,256)
Bus Garage	5015-005	500,000	500,000	470,033	-	470,033	29,967	-	470,033	-	470,033	-
Bus Garage	5015-006	6,181	6,181	328,680	-	328,680	(322,499)	-	75,000	-	75,000	(253,680)
Bus Garage	5015-008	96,753	96,753	108,164	-	108,164	(11,411)	-	96,753	-	96,753	(11,411)
Pressbox	7033-001	249,817	497,575	358,215	-	358,215	139,360	-	-	-	-	(358,215)
Concession Building	7035-001	48,624	968,299	1,095,475	-	1,095,475	(127,176)	-	(299,615)	-	(299,615)	(1,395,090)
Girls Dugout	7036-001	3,933	46,643	54,836	-	54,836	(8,193)	-	-	-	-	(54,836)
Boys Dugout	7037-001	3,933	46,643	54,836	-	54,836	(8,193)	-	-	-	-	(54,836)
District Wide Telephone	7999-002	2,053	12,018	417,474	-	417,474	(405,456)	-	417,474	-	417,474	-
District Wide SSBA	7999-BA1	447,703	447,703	536,067	-	536,067	(88,364)	-	490,178	-	490,178	(45,889)
District Wide SSBA	7999-EQU	358,211	358,211	765,453	-	765,453	(407,242)	-	765,453	-	765,453	-
District Wide Construction	Various	-	-	348,245	-	348,245	(348,245)	25,660,055	748,775	-	26,408,830	26,060,585
Bus purchases		-	-	-	470,514	470,514	(470,514)	-	470,514	-	470,514	-
Lease Expense		-	-	-	681,805	681,805	(681,805)	-	681,805	-	681,805	-
<b>TOTAL</b>		<b>\$ 24,613,042</b>	<b>\$ 84,109,532</b>	<b>\$ 115,330,501</b>	<b>\$ 5,009,849</b>	<b>\$ 120,340,350</b>	<b>\$ (35,279,593)</b>	<b>\$ 101,427,606</b>	<b>\$ 21,495,686</b>	<b>\$ -</b>	<b>\$ 122,923,292</b>	<b>\$ 2,582,942</b>

**Supplementary Information**  
**NORTH COLONIE CENTRAL SCHOOL DISTRICT**  
**Schedule of Net Investment in Capital and Lease Assets**  
**June 30, 2025**

<b>Capital and lease assets, net</b>		\$ 156,176,541
 <b>Add:</b>		
Cash on hand	\$ 816,408	
Investments	<u>2,531,919</u>	
		3,348,327
 <b>Deduct:</b>		
Bond payable	\$ 86,080,000	
Unamortized bond premium	<u>3,974,185</u>	
		<u>90,054,185</u>
 <b>Net Investment in Capital and Lease Assets</b>		 <b><u><u>\$ 69,470,683</u></u></b>



BUSINESS  
ADVISORS  
AND CPAS

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

The President and Members of the Board of Education of  
North Colonie Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the government activities and each major fund of North Colonie Central School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 9, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

## **Districts Responses to Findings**

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

## **Purpose of This Report**

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

*Mengel, Metzger, Baw & Co. LLP*

Latham, NY

October 9, 2025

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

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued

unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_yes      x\_no
- Significant deficiency(ies) identified?   x\_yes    \_\_\_none reported

Noncompliance material to financial statements noted?

\_\_\_yes      x\_no

**Section II: Financial Statement Findings**

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

**Significant Deficiency**

2025-001      Audit Adjustments

*Statement of Condition:* Adjusting journal entries were proposed as a result of audit procedures and to properly reflect year end balances.

*Criteria:* To accurately present the financial position of the District, general ledger accounts should be reconciled and adjusted at year-end.

*Cause of Condition:* Items had not been evaluated at yearend for proper inclusion of expenditures and liabilities for work performed on capital projects, as well items had not been evaluated at yearend for cash receipts received on summer handicapped services provided for changes in rates.

*Effect of Condition:* In the capital fund, expenditures and accounts payable were understated by \$294,871 and in the special aid fund revenues and receivables were understated by \$334,341 and revenues were over stated and due to other funds were understated by \$99,426, with similar adjustment being made to the general fund but were not considered material to that fund.

*Context:* There were transactions that were not properly recorded at yearend, these adjustments are described above.

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

**Section II: Financial Statement Findings**

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

Significant Deficiency

2025-001      Audit Adjustments (continued)

*Recommendation:* We recommend that management review and monitor account balances at yearend for work performed on capital projects and summer handicapped costs including rate changes based on state reports.

*Views of Responsible Officials and Planned Corrective Action:* The District Treasurer will review all expenses after year-end to ensure they are recorded as receivables. District Treasurer will also create a year-end routine where verification of revenue and expenditure reports tie out.

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

2024-001      Audit Adjustments

*Statement of Condition:* Adjusting journal entries were proposed as a result of audit procedures and to properly reflect year end balances.

*Status:* This item was modified based on current year adjustments to finding 2025-001.

2024-002      Compliance with School Food Service Resource Management

*Statement of Condition:* The fund balance of the school lunch fund exceeds 3 months of the average expenditure of the fund by approximately \$669,000.

*Status:* This item has been corrected.