BURNT HILLS-BALLSTON LAKE
CENTRAL SCHOOL DISTRICT

Financial Statements and
Required Reports
As of and For the Year Ended
June 30, 2026
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Accounting, Consulting & More

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Bonadio & Co., LLP
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INDEPENDENT AUDITOR'S REPORT

October 8, 2026

The Board of Education of
Burnt Hills Ballston Lake Central School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Burnt Hills Ballston Lake Central School District (the School District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2026, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 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.

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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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 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 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, budgetary comparison, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans 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.

(Continued)

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information required by the New York State Education Department, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2026 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Burnt Hills Ballston Lake Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Bonadio & Co. LLP

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2026

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2026. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed 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 School District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year. Figure 1 shows how the various parts of this annual report are arranged and related to one another.

District-Wide Statements

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

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the School District, additional nonfinancial factors, such as changes in the property tax bases and the condition of buildings and other facilities, should be considered.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

District-Wide Statements (Continued)
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 (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid.

Depreciation is not calculated in the governmental fund financial statements. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

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

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

Fund Financial Statements
The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has the following type of funds:

- *Governmental Funds*: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Figure 1) and changes in net position (Figure 2) of the School District's Governmental Activities.

Figure 1 - Condensed Statement of Net Position

	Fiscal Year 2026	Fiscal Year 2025	Percent Change
Current assets	$ 50,102,665	$ 41,534,761	20.6%
Non-current assets	119,161,011	106,312,816	12.1%
Total assets	169,263,676	147,847,577	14.5%
Deferred outflows of resources	18,023,511	15,459,978	16.6%
Current liabilities	48,573,089	59,365,845	-18.2%
Long-term liabilities	92,360,888	67,385,622	37.1%
Total liabilities	140,933,977	126,751,467	11.2%
Deferred inflows of resources	25,838,818	29,820,268	-13.4%
Net position:			
Investment in capital assets	54,868,111	48,204,047	13.8%
Restricted for debt service	15,685,202	11,423,010	37.3%
Unrestricted	(50,038,921)	(52,891,237)	5.4%
Total net position	$ 20,514,392	$ 6,735,820	204.6%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Figure 2 - Changes in Net Position from Operating Results

	Fiscal Year 2026	Fiscal Year 2025	Percent Change
Revenue			
Charges for services	$ 1,208,898	$ 1,762,738	-31.4%
Operating grants	3,532,231	2,150,798	64.2%
General revenue:			
Real property taxes	44,671,575	43,143,286	3.5%
Other tax items	3,056,242	3,226,644	-5.3%
Use of money and property	1,539,838	1,371,648	12.3%
State sources	36,879,785	33,465,727	10.2%
Federal sources	206,199	133,834	54.1%
Sale of property/compensation for loss	89,526	94,694	-5.5%
Miscellaneous	1,696,872	1,821,459	-6.8%
Total revenue	92,881,166	87,170,828	6.6%
Expenses			
General support	12,988,983	12,255,019	6.0%
Instruction	55,026,039	57,336,200	-4.0%
Pupil transportation	6,792,993	5,341,096	27.2%
Community service	7,038	4,718	49.2%
Debt service	2,141,587	1,784,666	20.0%
School lunch program	2,145,954	1,649,771	30.1%
Total expenses	79,102,594	78,371,470	0.9%
Change in net position	13,778,572	8,799,358	56.6%
Net position - beginning of year	6,735,820	(2,063,538)	-426%
Net position - end of year	$ 20,514,392	$ 6,735,820	56.6%

DETAILED ANALYSIS

Analysis of the Primary Government's Financial Position and Results of Operations

Figure 1 shows that, as of June 30, 2026, the District's total net position – assets and deferred outflows minus liabilities and deferred inflows – was approximately $20.5 million, an increase of $13.8 million, or 205% from June 30, 2025. This increase is primarily due to increase in Capital Assets. Most of the increase was caused by new construction.

Figure 2 shows that revenues continued to exceed expenditures in the current year, resulting in an increase in net position. All of the District's activity is governmental in nature, and various events contributed to the overall increase in net position. However, the primary 3 factors affecting the change in net position are as follows:

1. Increase in State Aid
2. Increase in Real Property Taxes
3. Increase in Operating Grants

Increase in State Aid
There were notable increases in State Aid revenue in 2026. Specifically, a $3.4 million increase (10.2%) to $36.9 million from 2025 to 2026. This was caused by New York State's budget commitment to fully fund the Foundation Aid formula for public school districts. This foundation funding provided crucial general operating support to help offset local property tax cap limits. In addition to base Foundation Aid increases, the growth was also fueled by higher state reimbursements in expense-based aid categories. These included increased Transportation Aid reimbursements (reimbursed at approximately 72%) on district bus purchases and operations and expanded BOCES Aid generated through cooperative educational and shared service initiatives.

Increase in Real Property Taxes
There were notable increases in Real Property Tax revenue in 2026. Specifically, a $1.5 million increase (3.5%) to $44.7 million from 2025 to 2026. This was caused by a planned adjustment to remain under the maximum allowable tax levy limit under New York State's property tax cap formula. This increase was structured to help cover rising operational expenses – such as inflationary increases in healthcare, contractual salaries, energy costs, and debt service onboarding for voter-approved capital projects – while remaining within the statutory property tax cap limit.

Increase in Operating Grants
There were notable increases in Operating Grants in 2026. Specifically, a $1.4 million increase (64.2%) to $3,532,231 from 2025 to 2026. This was caused by the introduction and expansion of state-funded categorical programs. Specifically, this surge was generated by the implementation of New York's Universal School Meals program, which provides state-funded meal reimbursements to participating districts, alongside expanded state funding allocations for Universal Pre-Kindergarten (Pre-K) programming.

Analysis of the Fund Balance or Net Position and Results of Operations of Each Major Fund

The District reports two funds, as major funds, individually in the governmental fund financial statements. Those funds are the General Fund and the Capital Projects Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the District's current financial health are more apparent in the fund financial statements than the government-wide financial statements. There were significant changes to the major funds, as shown in Figure 3 and discussed in more detail below.

DETAILED ANALYSIS (Continued)

Figure 3 – Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Capital Projects Fund	
	Fiscal Year 2026	**Fiscal Year 2025**	**Fiscal Year 2026**	**Fiscal Year 2025**
Total revenues	$ 87,861,135	$83,033,054	$ -	$ 10,132
Total expenditures	85,529,703	81,237,076	10,937,033	2,525,565
Excess (deficiency) of revenues over expenditures	2,331,432	1,795,978	(10,937,033)	(2,515,433)
Other Financing Sources (Uses)				
BANs redeemed from appropriations	-	-	1,665,000	1,400,000
Proceeds from issuance of debt	-	-	25,245,000	-
Proceeds from the issuance of leases	198,733	170,504	-	-
Premium on issuance of debt	-	-	-	-
Operating transfers in	386,451	290,753	-	-
Operating transfers (out)	(291,650)	(305,146)	-	-
Total other financing sources (uses)	293,534	156,111	26,910,000	1,400,000
Change in fund balance	2,624,966	1,952,089	15,972,967	(1,115,433)
Fund balance - beginning of year	16,070,050	14,117,961	(30,606,692)	(29,491,259)
Fund balance - end of year	$ 18,695,016	$16,070,050	$(14,633,725)	$(30,606,692)

General Fund
The fund balance of the School's General Fund increased by approximately $2.6 million, or 16%, during the year. Revenues exceeded expenditures by approximately $2.3 million, the surplus was also increased by approximately $95 thousand of net transfers between funds, and approximately $199 thousand of premium from the issuance of leases.

Capital Projects Fund
Capital outlays increased approximately $8.4 million, or 333%, from the prior year. This increase was primarily caused by the 2023 Renewing Spaces, Inspiring Futures project, which had approximately $10.9 million of capital expenditures in the current year. The 2023 project was approved by voters on October 24, 2023, and includes, but is not limited to, work on elementary schools' redesign to support learning, instructional innovations improvement at the middle school & high school, critical infrastructure upgrades for efficiency and physical education spaces, and improvement to athletic fields.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Asset Activity

The School District had significant construction in progress additions in the current year of approximately $10.9 million. This was largely due to the capital outlay expenditures in the Capital Projects Fund for the 2023 Project that is currently ongoing at the School District. Detailed information about this project has been previously described.

Long-Term Financing Activity

Total bonds payable outstanding increased by approximately $22.6 million in the current year. The School District issued one new bond for $25.2 million in the current year and continued to pay down their outstanding debt.

FACTORS BEARING ON THE FUTURE OF THE SCHOOL DISTRICT

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

The future financial health and operational stability of the Burnt Hills-Ballston Lake Central School District depend on a complex interplay of statutory limits, state funding, capital obligations, and proactive cost-management strategies. A primary ongoing challenge is New York State's property tax levy cap, which strictly limits annual local revenue growth unless a supermajority of voters approves an excess. In recent years, high rates of inflation have driven up essential operational expenses—such as energy, materials, healthcare, and labor—far faster than the tax cap allows revenues to increase, creating persistent budget pressure.

While full state funding of Foundation Aid in recent budget cycles provided essential relief to offset local tax cap restrictions, the district remains highly sensitive to potential changes in state aid formulas or broader economic shifts at the state level. The Board of Education and District Administration engage in frequent discussions surrounding state legislative proposals that impact education funding, closely monitoring implications for students, staff, and core district operations. Additionally, the district has actively participated in NYS Regionalization efforts led by BOCES to explore cost-effective strategies addressing these systemic challenges.

To maintain financial balance without overburdening local taxpayers, BH-BL actively seeks alternative non-tax revenue sources, most notably through regional shared service agreements—such as providing school bus maintenance for neighboring districts—and facility rentals. The district also leverages extensive cooperative partnerships to mitigate volatile market costs: participating in a BOCES energy consortium for heat and power, purchasing transportation fuel below NYS contract prices via a multi-district cooperative bid, and partnering with a purchasing co-op of over 140 districts to secure significantly lower supply prices. All of these initiatives, along with potential new opportunities, are continuously monitored for effectiveness.

At the same time, the district balances long-term capital priorities, enrollment dynamics, and state mandates. District leadership tracks enrollment trajectories through census data, commissioned studies, and town housing permits, while overseeing major infrastructure upgrades to keep projects on budget without disrupting learning. To guide this work, the Board of Education sets annual goals supporting the district's strategic objectives to continuously improve student learning and facilities.

FACTORS BEARING ON THE FUTURE OF THE SCHOOL DISTRICT (Continued)

Furthermore, the Board and Administration are actively engaged in strategic long-range planning; the Board charged a 21st Century Instructional/Infrastructure Committee to establish a framework that will guide instructional planning and budgeting for the next 10 to 15 years, which instructional staff currently uses to direct curriculum development. Routine fleet modernization through direct purchases also helps capture high state transportation aid reimbursements while avoiding unnecessary interest debt—an area that will become increasingly vital as school districts prepare for state-level transitions toward zero-emission electric bus fleets. Through these comprehensive cost controls, strategic planning, and operational realignments, the district continually works to protect academic and extracurricular programming within responsible fiscal boundaries.

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:

Director of Budget and Finance
Burnt Hills-Ballston Lake Central School District Office
PO Box 1389
Ballston Lake, NY 12019

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2026

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	$ 8,589,433
Cash and cash equivalents - restricted	36,967,692
Accounts receivable	594,139
State and federal aid receivable	3,920,161
Inventory	31,240
Total current assets	50,102,665
NON-CURRENT ASSETS:	
Net pension asset - TRS	9,748,968
Capital assets, not depreciated	12,715,334
Capital assets, net	96,696,709
Total non-current assets	119,161,011
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - other post employment benefits	3,554,686
Deferred outflows of resources - pensions ERS	1,734,179
Deferred outflows of resources - pensions TRS	12,734,646
Total deferred outflows of resources	18,023,511
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	4,727,716
Accrued interest	111,846
Due to Teachers' Retirement System	3,674,249
Due to Employees' Retirement System	403,542
Due to other governments	108
Unearned revenue	70,440
Lease liability due within one year	2,616
Bond anticipation notes	32,935,000
Total other postemployment benefits due within one year	2,917,572
Bonds payable due within one year	3,730,000
Total current liabilities	48,573,089
LONG-TERM LIABILITIES:	
Bonds payable, net of current portion	39,050,146
Total other postemployment benefits	48,231,543
Lease liability, net of current portion	5,573
Net pension liability - ERS	1,406,093
Compensated absences	3,667,533
Total long-term liabilities	92,360,888
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - other post employment benefits	15,273,682
Deferred inflows of resources - pensions ERS	2,669,174
Deferred inflows of resources - pensions TRS	7,785,630
Deferred inflows of resources - gain on defeasance	110,332
Total deferred inflows of resources	25,838,818
NET POSITION	
Net investment in capital assets	54,868,111
Restricted	15,685,202
Unrestricted	(50,038,921)
TOTAL NET POSITION	$ 20,514,392

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 12,988,983	$ -	$ -	$ (12,988,983)
Instruction	55,026,039	954,156	1,808,051	(52,263,832)
Pupil transportation	6,792,993	-	-	(6,792,993)
Community services	7,038	-	-	(7,038)
Debt service - interest	2,141,587	-	-	(2,141,587)
School lunch program	2,145,954	254,742	1,724,180	(167,032)
TOTAL FUNCTIONS AND PROGRAMS	$ 79,102,594	$ 1,208,898	$ 3,532,231	(74,361,465)
GENERAL REVENUE:				
Real property taxes				44,671,575
Other tax items				3,056,242
Use of money and property				1,539,838
Sale of property and compensation for loss				89,526
Miscellaneous				1,696,872
State sources				36,879,785
Federal sources				206,199
TOTAL GENERAL REVENUE				88,140,037
CHANGE IN NET POSITION				13,778,572
TOTAL NET POSITION - beginning of year				6,735,820
TOTAL NET POSITION - end of year				$ 20,514,392

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	Capital Projects		
ASSETS				
Cash and cash equivalents - unrestricted	$ 8,311,815	$ -	$ 277,618	$ 8,589,433
Cash and cash equivalents - restricted	11,486,123	21,289,735	4,191,834	36,967,692
Accounts receivable	559,262	-	34,877	594,139
Due from other funds	1,732,694	-	213,120	1,945,814
State and federal aid receivable	2,636,004	-	1,284,157	3,920,161
Inventory	-	-	31,240	31,240
TOTAL ASSETS	$ 24,725,898	$ 21,289,735	$ 6,032,846	$ 52,048,479
LIABILITIES				
Accounts payable and accrued liabilities	$ 1,728,745	$ 2,983,308	$ 15,663	$ 4,727,716
Due to other funds	213,085	5,152	1,727,577	1,945,814
Due to other governments	-	-	108	108
Due to Teachers' Retirement System	3,674,249	-	-	3,674,249
Due to Employees' Retirement System	378,901	-	24,641	403,542
Bond anticipation notes	-	32,935,000	-	32,935,000
Unearned revenue	35,902	-	34,538	70,440
TOTAL LIABILITIES	6,030,882	35,923,460	1,802,527	43,756,869
FUND BALANCE				
Nonspendable				
Inventory	-	-	31,240	31,240
Total nonspendable fund balance	-	-	31,240	31,240
Restricted				
Workers' compensation	650,000	-	-	650,000
Retirement contribution	6,954,022	-	-	6,954,022
Unemployment	14,568	-	-	14,568
Debt service	-	-	3,699,428	3,699,428
Liability Claims	200,000	-	-	200,000
Employee benefits	3,667,533	-	-	3,667,533
Other	-	-	499,651	499,651
Total restricted fund balance	11,486,123	-	4,199,079	15,685,202
Assigned				
Unappropriated	160,249	-	-	160,249
Appropriated for subsequent year expenditures	3,253,931	-	-	3,253,931
Total assigned fund balance	3,414,180	-	-	3,414,180
Unassigned	3,794,713	(14,633,725)	-	(10,839,012)
TOTAL FUND BALANCE	18,695,016	(14,633,725)	4,230,319	8,291,610
TOTAL LIABILITIES AND FUND BALANCE	$ 24,725,898	$ 21,289,735	$ 6,032,846	$ 52,048,479

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION FOR THE YEAR ENDED JUNE 30, 2026

Total governmental fund balances per Balance Sheet - Governmental Funds	$ 8,291,610
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	109,412,043
Pension related government wide activity	
Deferred outflows of resources	14,468,825
Net pension asset - TRS	9,748,968
Net pension liability - ERS	(1,406,093)
Deferred inflows of resources	(10,454,804)
OPEB related government wide activity	
Deferred outflows of resources	3,554,686
Deferred inflows of resources	(15,273,682)
Total OPEB liability	(51,149,115)
Deferred inflows of resources - gain on defeasance	(110,332)
Long-term liabilities, including bonds payable, lease payable, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds	(46,455,868)
Accrued interest payable at year end in the government-wide statements under full accrual accounting	(111,846)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 20,514,392

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Major Funds			Total
	General	Capital Projects	Nonmajor Funds	Governmental Funds
REVENUE:				
Real property taxes	$ 44,671,575	$ -	$ -	$ 44,671,575
Other tax items	3,056,242	-	-	3,056,242
Charges for services	954,156	-	-	954,156
Use of money and property	1,261,075	-	278,763	1,539,838
Sale of property and compensation for loss	89,526	-	-	89,526
Miscellaneous	742,577	-	282,757	1,025,334
State sources	36,879,785	-	1,949,416	38,829,201
Medicaid reimbursement	206,199	-	-	206,199
Federal sources	-	-	1,582,815	1,582,815
Contributions	-	-	367,214	367,214
Sales - School lunch	-	-	254,742	254,742
Total revenue	87,861,135	-	4,715,707	92,576,842
EXPENDITURES:				
General support	9,833,279	-	-	9,833,279
Instruction	42,732,154	-	1,897,900	44,630,054
Pupil transportation	5,969,054	-	103,719	6,072,773
Community services	7,038	-	-	7,038
Employee benefits	19,694,619	-	261,470	19,956,089
Debt service - Principal	4,561,241	-	-	4,561,241
Debt service - Interest	2,732,318	-	-	2,732,318
Cost of sales	-	-	1,940,047	1,940,047
Capital outlay	-	10,937,033	-	10,937,033
Other	-	-	913,686	913,686
Total expenditures	85,529,703	10,937,033	5,116,822	101,583,558
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,331,432	(10,937,033)	(401,115)	(9,006,716)
OTHER SOURCES AND (USES):				
BANs redeemed from appropriations	-	1,665,000	-	1,665,000
Premiums on issuance of debt	-	-	2,597,564	2,597,564
Proceeds on issuance of bonds	-	25,245,000	-	25,245,000
Proceeds on issuance of leases	198,733	-	-	198,733
Operating transfers in	386,451	-	291,650	678,101
Operating transfers (out)	(291,650)	-	(386,451)	(678,101)
Total other sources (uses)	293,534	26,910,000	2,502,763	29,706,297
CHANGE IN FUND BALANCE	2,624,966	15,972,967	2,101,648	20,699,581
FUND BALANCE - beginning of year	16,070,050	(30,606,692)	2,128,671	(12,407,971)
FUND BALANCE - end of year	$ 18,695,016	$ (14,633,725)	$ 4,230,319	$ 8,291,610

The accompanying notes are an integral part of these statements.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2026

Net changes in fund balance - Total governmental funds	$ 20,699,581
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position	11,909,736
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(3,281,741)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(620,857)
Pension expense resulting from the GASB 68 related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	3,754,088
Repayments of debt, including BANs and leases are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	4,561,241
Proceeds from the issuance of long-term debt are recorded as other financing sources in the governmental funds, but are recorded as liabilities in the statement of net position	(25,245,000)
Proceeds from issuance of leases are recorded as other sources in the governmental funds but are not recorded in the statement of activities	(198,733)
BANs redeemed from appropriations are recorded as other sources in the governmental funds but are not recognized as revenue in the statement of activities	(1,665,000)
Bond premiums are recorded as revenue in the governmental funds but are recorded not in the statement of activities	(2,293,240)
Accrued interest expense does not require the expenditure of current resources and is therefore, not reported not reported as expenditures in the governmental funds	(14,844)
Other post employment expense resulting from GASB 75 related OPEB actuary reporting is not recorded as an expenditure in the governmental funds but is recorded as expenditures in the governmental funds	5,805,554
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(237,788)
Amortization of bond premium is not recorded in the governmental funds, but is recorded in the statement of activities	564,766
Amortization of the deferred gain on refunding is not recorded in the governmental funds, but is recorded in the statement of activities	40,809
Change in net position - Governmental activities	$ 13,778,572

The accompanying notes are an integral part of these statements.

1. NATURE OF OPERATIONS

Burnt Hills-Ballston Lake Central School District (School District) provides K-12 public education to eligible students living within its geographic borders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity
The Burnt Hills-Ballston Lake Central School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (BOE). The President of the Board serves as chief fiscal officer and the Superintendent is the chief executive officer. The BOE has authority to make decisions, power to appoint management and accountability for all fiscal matters.

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

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

Extraclassroom Activity Funds
The extraclassroom activity funds of the School District represent funds of the students of the School District. The BOE exercises general oversight of these funds. The extraclassroom activity funds are independent of the School 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 at the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

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

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

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

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

Basis of Presentation

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

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements

The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund financial statements provide information about the School District's funds.

Separate statements for each governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounts of the School District are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types and account groups used by the School District are as follows:

Governmental Fund Types

Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The following are the School District's major governmental fund types:

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

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

The following are the School District's nonmajor governmental funds:

School Lunch Fund: Used to account for transactions of the lunch and breakfast programs.

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

Debt Service Fund: This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Measurement Focus and Basis of Accounting

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

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

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 financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and investments consist of funds deposited in demand deposit accounts, amounts with the New York Cooperative Liquid Assets Securities System (NYCLASS). The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include NYCLASS, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, The School District's policy provides for no credit risk on investments.

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.

Inventory

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

Interfund Transactions

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

In the School District-wide financial statements, the amounts reported on the Statement of Net Assets for interfund receivables and payables represent amounts due between different fund types (governmental activities). Eliminations have been made for all interfund receivables and payables between the funds.

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

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair market value at the time received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)
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 School District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	$ 1,000	N/A	N/A
Buildings and improvements	$20,000	SL	30-50
Equipment, furniture, and land	$ 1,000	SL	5-8

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

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 (expenses/expenditures) until then.

The government has the following items that qualify for reporting in this category:

Deferred charges result from pension contributions made subsequent to the measurement date of the plan.

Deferred charges result from differences between expected and actual experience of the plan.

Deferred charges result from net differences between projected and actual earnings on pension plan investments of the plan.

These amounts are deferred and amortized and expensed against pension expense in future periods.

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 and so will not be recognized as an inflow of resources (revenue) until then.

The government has the following items that qualify for reporting in this category:

The net amount of the School District's balances of deferred inflows of resources related to pensions is reported in the government-wide Statement of Net Position as deferred inflows of resources. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and the difference during the measurement period between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

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

Uncollected real property taxes are subsequently enforced by the Counties of Saratoga and Schenectady, in which the School District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the School District no later than the following April 1.

Vested Employee Benefits

Compensated Absences

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

Other Benefits

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

Total Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

Unearned revenue is reported when potential revenue does meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

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

Unearned revenue recorded in governmental funds is generally not recorded in the Government-wide statements.

Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the School District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

Restricted Resources

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

Equity Classifications

District-Wide Statements

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

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

Restricted net position consist of the following:

Workers' compensation	$ 650,000
Retirement contribution	6,954,022
Unemployment	14,568
Liability claims	200,000
Debt service	3,699,428
Employee benefits	3,667,533
Other	499,651
Total restricted net position	$ 15,685,202

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

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

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school lunch fund.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has available the following restricted fund balances:

Capital
Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

Repair

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

Workers' Compensation

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

Unemployment Insurance

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

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

Insurance

Insurance reserve is 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. The reserve is accounted for in the general fund under restricted fund balance.

Liability Claims and Property Loss

Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

Tax Certiorari

Tax certiorari reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. 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. The reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Classifications (Continued)

Governmental Fund Statements (Continued)

Encumbrances

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

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2026.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to $160,249. As of June 30, 2026, the School District's encumbrances were classified as follows:

Assigned fund balance:

General support	$	58,925
Instruction		51,798
Pupil transportation		49,526
Total encumbrances	$	160,249

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

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

Order of Fund Balance Spending Policy

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

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL DISTRICT WIDE STATEMENTS

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

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

Total fund balances of the School District's governmental funds differs 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.

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

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 assets.

Pension Differences

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

OPEB Differences

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's administration prepares a proposed budget for approval by the (BOE) for the following governmental funds for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by (BOE) as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

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

5. CASH AND CASH EQUIVALENTS

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

The School District participates in NYCLASS, multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby the School District holds a portion of the investments in cooperation with other participants. At June 30, 2026, the School District held $8,303,227 in NYCLASS consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' from Standard & Poor's Global Ratings. Amounts held with NYCLASS are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Additional information concerning NYCLASS, including the annual report, can be found on its website www.newyorkclass.org.

5. CASH AND CASH EQUIVALENTS (Continued)

As of June 30, 2026, the carrying amount of the School District's cash was exposed to custodial credit risk as follow:

	Bank Balance	Carrying Amount
Cash	$ 40,287,645	$ 37,253,898
Cash equivalents	8,303,227	8,303,227
	$ 48,590,872	$ 45,557,125
Collateralized with securities held by the pledging financial institution's trust department or agent in the School District's name	$ 39,287,645	
Covered by FDIC insurance	1,000,000	
Total	$ 40,287,645	

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

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

General Fund	$ 11,486,123
Capital Projects Fund	$ 21,289,735
Debt Service Fund	$ 3,699,428
Miscellaneous Special Revenue Fund Cash on deposit for scholarships and extraclassroom activity funds	$ 492,406

6. PARTICIPATION IN BOCES

During the year, the School District was billed $4,331,143 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to $3,146,124.

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

7. CAPITAL ASSETS

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

	July 1, 2025 Balance	Additions	Deletions	June 30, 2026 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Construction in progress	$ 1,778,303	$ 10,937,031	$ -	$ 12,715,334
Total nondepreciable cost	1,778,303	10,937,031	-	12,715,334
Capital assets that are depreciated:				
Buildings and improvements	137,270,554	-	-	137,270,554
Furniture and equipment	15,082,248	370,736	809,153	14,643,831
Total depreciable historical cost	152,352,802	370,736	809,153	151,914,385
Less accumulated depreciation:				
Buildings	45,337,945	2,013,514	-	47,351,459
Furniture and equipment	8,485,564	1,268,227	796,528	8,957,263
Total accumulated depreciation	53,823,509	3,281,741	796,528	56,308,722
Total capital assets, net	100,307,596	8,026,026	12,625	108,320,997
Lease assets, being amortized:				
Equipment	2,249,503	614,594	561,682	2,302,415
Less accumulated amortization for:				
Equipment	1,152,194	620,857	561,682	1,211,369
Total leased assets, being amortized, net	1,097,309	(6,263)	-	1,091,046
Total governmental activities, capital asset	$101,404,905	$ 8,019,763	$ 12,625	$109,412,043

Depreciation and amortization expense for the year ended June 30, 2026, was allocated to specific functions as follows:

	Depreciation	Amortization
General support	$ 492,261	$ -
Instruction	2,559,759	620,857
Transportation	196,904	-
School lunch	32,817	-
Total	$ 3,281,741	$ 620,857

8. SHORT-TERM DEBT

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

The School District may issue 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 School 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.

Transactions in short-term debt for the year are summarized below:

Maturity	Interest Rate	Beginning Balance	Issued	Paid with New BAN	Redeemed	Paid with Bond Proceeds	Ending Balance
6/18/2026	4.00%	$ 47,765,487	$ -	$ 18,935,000	$ 1,665,000	$ 27,165,487	$ -
6/17/2027	3.75%	-	32,935,000	-	-	-	32,935,000
	Total	$ 47,765,487	$ 32,935,000	$ 18,935,000	$ 1,665,000	$ 27,165,487	$ 32,935,000

9. LONG-TERM LIABILITIES

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year	Long-term Portion
Government activities						
Bonds and notes payable:						
General obligation debt:						
Serial bonds	$ 16,410,000	$ 25,245,000	$ 2,695,000	$ 38,960,000	$ 3,730,000	$ 35,230,000
Unamortized bond premium	2,091,672	2,293,240	564,766	3,820,146	-	3,820,146
Total bonds and notes payable	18,501,672	27,538,240	3,259,766	42,780,146	3,730,000	39,050,146
Other liabilities:						
Total other postemployment benefits	46,211,112	7,734,755	2,796,752	51,149,115	2,917,572	48,231,543
Net pension liability - ERS	4,558,507	- *	3,152,414 *	1,406,093	-	1,406,093
Compensated absences	3,429,745	237,788	- *	3,667,533	-	3,667,533
Lease obligations	10,697	198,733	201,241	8,189	2,616	5,573
Total other liabilities	54,210,061	8,171,276	6,150,407	56,230,930	2,920,188	53,310,742
Total long-term liabilities	$ 72,711,733	$ 35,709,516	$ 9,410,173	$ 99,011,076	$ 6,650,188	$ 92,360,888

9. LONG-TERM LIABILITIES (Continued)

During 2025-2026 fiscal year, and in prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements.

The 2012, 2019, and 2026 serial bonds were issued at a premium, net of underwriting costs. The premium is being amortized over the life of the bonds, which mature through June 2051. At June 30, 2026, the unearned bond premium was $3,820,146.

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

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2026 Balance
2019 General obligation bond	2022	2027	2.00-5.00%	$ 12,985,000
Capital Project Bonds Series 2012	2019	2033	2.00-5.00%	730,000
2026 DASNY Bond	2026	2051	5.00%	25,245,000
Total				$ 38,960,000

The following is a summary of the maturities of bonds payable:

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	$ 3,730,000	$ 2,316,156	$ 6,046,156
2028	3,500,000	1,761,500	5,261,500
2029	3,670,000	1,586,500	5,256,500
2030	3,840,000	1,403,000	5,243,000
2031	3,695,000	1,211,000	4,906,000
2032-2036	13,455,000	3,558,500	17,013,500
2037-2041	2,840,000	1,366,750	4,206,750
2042-2046	1,860,000	879,750	2,739,750
2047-2051	2,370,000	367,000	2,737,000
Totals	38,960,000	14,450,156	53,410,156
Bond premium	3,820,146	-	3,820,146
Totals	$ 42,780,146	$ 14,450,156	$ 57,230,302

Interest on all debt for the year was composed of:

Interest paid - bonds	$ 820,500
Interest paid - BANs	1,910,619
Interest paid - leases	1,199
Amortization of bond premium	(564,766)
Amortization of gain on refunding	(40,809)
Less: interest accrued in prior year	(97,002)
Plus: interest accrued in current year	111,846
Total expense	$ 2,141,587

10. LEASES

The School District leases various equipment, primarily from one-time equipment leases with Capital Region BOCES which were paid in advance. The leases do not contain renewal options. The leases have various inception dates remaining terms of 12-48 months. Lease arrangements are summarized as follows:

Description	Interest Rate/ Discount Rate	Total Lease Liability
Postage Meters	4.21%	$ 8,189

Activity of lease liabilities for the year ended June 30, 2026, is summarized as follows:

Beginning Balance	Additions	Deletions	Ending Balance	Amount due within One Year
$ 10,697	$ 198,733	$ 201,241	$ 8,189	$ 2,616

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

Fiscal Year Ending June 30:	Principal	Interest	Total Lease Liability
2027	$ 2,616	$ 295	$ 2,911
2028	2,728	182	2,910
2029	2,845	65	2,910
2030	-	-	-
Total Future Payments	$ 8,189	$ 542	$ 8,731

11. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position.

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

The following is a summary of interfund activity:

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditure
General fund	$ 1,732,694	$ 213,085	$ 386,451	$ 291,650
Special aid fund	64,446	1,108,492	196,434	-
School lunch fund	148,674	619,085	95,216	-
Capital fund	-	5,152	-	-
Debt service fund	-	-	-	386,451
Misc. special revenue fund	-	-	-	-
Total governmental activities	$ 1,945,814	$ 1,945,814	$ 678,101	$ 678,101

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

12. PENSION PLANS

New York State Employee Retirement System
The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (NYSRSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

New York State Employee Retirement System (Continued)

Contributions
The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System (ERS) after July 27th, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2026	$ 1,439,392
2025	$ 1,295,389
2024	$ 993,100

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2026, the School District reported a liability of $1,406,093 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2026, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2025. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2026, the School District's proportion was 0.02492301%, which was a decrease of 0.00166384% from its proportion measured at June 30, 2025.

12. PENSION PLANS (Continued)

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

For the year ended June 30, 2026, the School District recognized pension expense of $1,599,943. At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 804,649	$ -
Changes of assumptions	241,364	-
Net difference between projected and actual earnings on pension plan investments	-	2,521,202
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	284,624	147,972
Contributions subsequent to the measurement date	403,542	-
	$ 1,734,179	$ 2,669,174

$403,542 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of March 31, 2026 will be recognized as a reduction of the net pension liability in the year ended June 30, 2027.

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

Plan's Year Ended March 31:	
2027	$ 617,259
2028	(851,544)
2029	(511,721)
2030	(592,531)
	$ (1,338,537)

12. PENSION PLANS (Continued)

New York State Employee Retirement System (Continued)

Actuarial Assumptions
The total pension liability at March 31, 2026 was determined by using an actuarial valuation as of April 1, 2025, with update procedures used to roll forward the total pension liability to March 31, 2026. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	5.2% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2020 through March 31, 2025
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Type	Target Allocation	Long-term expected real rate or return
Domestic Equity	25.0%	3.29%
International Equity	14.0%	5.85%
Private Equity	15.0%	7.00%
Real Estate	12.0%	5.20%
Opportunistic/ARS Portfolio	3.0%	5.13%
Credit	4.0%	5.10%
Real Assets	4.0%	5.54%
Fixed Income	22.0%	1.75%
Cash	1.0%	0.25%
	100.0%	

Discount Rate
The discount rate used to calculate the total pension liability was 5.9 percent. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

12. PENSION PLANS (Continued)

New York State Employee Retirement System (Continued)

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (4.9%) or 1 percent higher (6.9%) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability (asset)	$ 9,603,228	$ 1,406,093	$ (5,447,075)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2026, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 253,773,040,000
Net position	(248,131,290,000)
Net pension liability (asset)	$ 5,641,750,000
Fiduciary net position as a percentage of total pension liability	97.78%

New York State Teacher Retirement System

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

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

Contributions

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

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

12. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Pension Plan Fiduciary Net Position (Continued)
The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

2026	$ 3,201,096
2025	$ 3,268,447
2024	$ 3,065,428

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2026, the School District reported an asset of $9,748,968 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of that date. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2026 the School District's proportion was 0.1646491%, which was a increase of 0.0001533% of its proportion measured June 30, 2025.

For the year ended June 30, 2026, the School District recognized pension expense (income) of $(591,928). At June 30, 2026 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,110,633	$ -
Changes of Assumptions	3,859,313	105,110
Net difference between projected and actual earnings on pension plan investments	-	7,613,920
Changes in proportion and differences between the District's contributions and proportionate share of contributions	90,452	66,600
Contributions subsequent to the measurement date	3,674,248	-
	$ 12,734,646	$ 7,785,630

$3,674,248 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2025 will be recognized as a reduction of the net pension asset in the year ended June 30, 2027.

12. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)
Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2026	$ 4,924,963
2027	(2,064,809)
2028	(2,177,270)
2029	(438,082)
2030	848,735
Thereafter	181,231
	$ 1,274,768

Actuarial Assumptions
The total pension asset at the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension asset to June 30, 2025. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience and were updated as of June 30, 2025.

Service	Rate
5	5.80%
15	3.66%
25	2.68%
35	2.04%

Projected COLAs	1.4% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis.

The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2019, to June 30, 2024. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

12. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Actuarial Assumptions (Continued)
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 expected real rates of return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2025 are summarized in the following table:

Asset Type	Target Allocation	Long-term expected real rate or return
Domestic Equity	33.0%	6.70%
International Equity	15.0%	7.40%
Global Equity	4.0%	7.00%
Real Estate Equity	11.0%	6.50%
Private Equity	9.0%	9.80%
Domestic Fixed Income	16.0%	2.60%
Global Bonds	2.0%	2.40%
High-Yield Bonds	1.0%	4.70%
Private Debt	2.0%	6.10%
Real Estate Debt	6.0%	3.80%
Cash Equivalents	1.0%	0.60%
	100.0%	

Discount Rate
The discount rate used to measure the total pension asset was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

12. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

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

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate Share of Net Pension liability (asset)	$ 18,732,766	$ (9,748,968)	$ (33,714,866)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset) of the plan as of June 30, 2025, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$ 148,272,068,018
Net position	(154,193,125,241)
Net pension liability (asset)	$ (5,921,057,223)
Fiduciary net position as a percentage of total pension liability	103.99%

13. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

Benefits Provided

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At June 30, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	478
Inactive employees or beneficiaries entitled to but not yet receiving benefits	-
Active employees	579
Total participants	1,057

Total OPEB Liability

The School District's total OPEB liability of $51,149,115 was measured as of June 30, 2026, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs

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

Method	Entry age normal cost method
Inflation	2.60% per year
Salary increases, including wage inflation	Varied by years of service and retirement system
Discount Rate	4.32% as of June 30, 2026
Healthcare Cost Trend Rates	6.75% for 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing gradually to an ultimate rate of 4.04% by 2075

The discount rate was based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

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

Changes in the Total OPEB Liability

Balance at June 30, 2025	$ 46,211,112
Changes for the Year	
Service cost	1,398,614
Interest	2,223,556
Changes of benefit terms	-
Changes in assumptions or other inputs	3,324,318
Differences between expected and actual experience	788,267
Benefit payments	(2,796,752)
Net changes	4,938,003
Balance at June 30, 2026	$ 51,149,115

The discount rate was 4.81% at the prior measurement date compared to 4.32% at the current measurement date.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (3.32%)	Current Discount (4.32%)	1% Increase (5.32%)
Total OPEB Liability	$ 59,141,506	$ 51,149,115	$ 44,710,220

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Total OPEB Liability	$ 43,238,656	$ 51,149,115	$ 61,288,437

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2026, the School District recognized OPEB expense of $(3,008,802). At June 30, 2026, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 784,421	$ 9,178,530
Changes of assumptions	2,770,265	6,095,152
	$ 3,554,686	$ 15,273,682

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

Fiscal Year Ending June	Amount
2027	$ (5,929,350)
2028	(3,259,526)
2029	(1,641,564)
2030	(1,573,986)
2031	685,430
Thereafter	-
	$ (11,718,996)

14. RISK MANAGEMENT

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

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

Claims are recognized as expenditures when it is probable that an asset has been impaired, or a liability has been incurred and the amount of loss can be reasonably estimated. At June 30, 2026, management estimates there are no outstanding claims liabilities.

15. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grants 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 (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 School District has three (3) real property tax abatement agreements that are entered into by the Saratoga County Industrial Development Agency (IDA) and one (1) real property tax abatement agreements entered into by Town of Ballston. These agreements provide for abatement of real property taxes in exchange for payment in lieu of taxes (PILOT) in accordance with the IDA's Tax Exemption Policy. PILOTs are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, or the improvement or expansion of an existing facility. There are also policies for recapture of PILOTS should the applicant not meet certain criteria.

Agreement	Assessed Value	Tax Rate	Tax Value	PILOT Received	School Tax Abated
Saratoga County IDA	$ 3,454,000	$ 23.7551	$ 82,890	$ 49,246	$ 33,644
Schenectady County IDA	$ 4,733,987	$ 27.4219	$ 113,608	$ 31,257	$ 82,351
Town of Ballston	$ 967,000	$ 23.7551	23,206	650	22,557
Total			$ 219,705	$ 81,153	$ 138,552

16. CONTINGENCIES AND COMMITMENTS

Litigation

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

Other Contingencies

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

Commitments

The School District has various commitments with contractors for the completion of capital projects.

17. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2026, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements.* Among other changes, the Statement modifies certain Management's Discussion and Analysis (MD&A) requirements, updates presentation requirements for unusual or infrequent items, and makes certain changes to budgetary comparison information and statistical section reporting.

18. SUBSEQUENT EVENTS

The School District has evaluated subsequent events through October 8 2026, and determined that there were no matters that would have a material effect on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Original Budget Variance with Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE					
LOCAL SOURCES:					
Real property taxes	$ 44,702,396	$ 44,702,396	$ -	$ 44,671,575	$ (30,821)
Other tax items	3,010,000	3,010,000	-	3,056,242	46,242
Charges for services	835,200	835,200	-	954,156	118,956
Use of money and property	800,000	800,000	-	1,261,075	461,075
Sale of property and compensation for loss	51,000	51,000	-	89,526	38,526
Miscellaneous	624,800	624,800	-	742,577	117,777
Total local sources	50,023,396	50,023,396	-	50,775,151	751,755
State sources	34,785,104	34,785,104	-	36,879,785	2,094,681
Medicaid reimbursement	200,000	200,000	-	206,199	6,199
Total revenue	85,008,500	85,008,500	-	87,861,135	2,852,635
OTHER FINANCING SOURCES					
Proceeds on issuance of capital leases	-	-	-	198,733	198,733
Transfers from other funds	-	-	-	386,451	386,451
Total other financing sources	-	-	-	585,184	585,184
Total revenue and other financing sources	85,008,500	85,008,500	-	88,446,319	3,437,819

(Continued)

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)
FOR THE YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Original Budget Variance with Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	57,948	54,854	(3,094)	29,806	25,048
Central administration	358,343	345,033	(13,310)	343,945	1,088
Finance	1,008,133	1,064,108	55,975	1,022,753	41,355
Staff	801,442	881,934	80,492	827,046	54,888
Central services	6,525,288	7,243,283	717,995	6,909,021	334,262
Special items	789,948	868,150	78,202	759,633	108,517
Total general support	9,541,102	10,457,362	916,260	9,892,204	565,158
INSTRUCTION:					
Instruction, administration, and improvement	3,685,820	3,820,846	135,026	3,765,600	55,246
Teaching - Regular school	21,700,687	21,570,554	(130,133)	21,408,441	162,113
Programs for children with handicapping conditions	11,895,062	11,090,158	(804,904)	10,392,191	697,967
Occupational education	1,465,230	1,379,690	(85,540)	1,379,332	358
Teaching - Special school	190,900	172,005	(18,895)	168,518	3,487
Instructional media	2,132,000	2,009,042	(122,958)	1,925,848	83,194
Pupil services	3,980,609	3,797,484	(183,125)	3,744,022	53,462
Total instruction	45,050,308	43,839,779	(1,210,529)	42,783,952	1,055,827
Pupil transportation	5,929,776	6,207,475	277,699	6,018,580	188,895
Community services	17,600	16,733	(867)	7,038	9,695
Employee benefits	20,577,094	20,691,804	114,710	19,694,619	997,185
Debt service - Principal	4,960,000	4,960,000	-	4,561,241	398,759
Debt service - Interest	2,881,120	2,881,120	-	2,732,318	148,802
Total expenditures	88,957,000	89,054,273	97,273	85,689,952	3,364,321
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(242,500)	(305,216)	(62,716)	(291,650)	13,566
Total expenditures and other financing uses	89,199,500	89,359,489	159,989	85,981,602	3,377,887
NET CHANGE IN FUND BALANCES	(4,191,000)	(4,350,989)	(159,989)	2,464,717	$ 6,815,706
FUND BALANCE - beginning of year	16,070,050	16,070,050	-	16,070,050	
FUND BALANCE - end of year	$ 11,879,050	$ 11,719,061	$ (159,989)	$ 18,534,767	

BURNT HILLS BALLSTON LAKE CENTRAL SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Comparison Information - Unaudited
For the Year Ended June 30, 2026

	General Fund Over (Under)
BUDGETARY REVENUES	
Differences - final budget to actual	
Actual use of money and property revenue in the General Fund exceeded the final budget due to interest and earnings revenue, as the District budgets interest and earnings revenue conservatively to account for uncertainty in future market performance.	$ 461,075
BUDGETARY EXPENDITURES	
Differences - original budget to final budget	
The final budget in the General Fund for central services expenditures increased due to the large amount of hardware and software purchases through BOCES for administrative purposes (new administrative devices, management software, copiers, kiosks, network security, and new building access control/alarm system).	$ 717,995

BUDGETARY BASIS OF ACCOUNTING

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

The District reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. This results in the following reconciliation of the fund balance computed on GAAP basis and budgetary basis:

General Fund:	
GAAP basis fund balance at June 30, 2026	$ 18,695,016
Less: Outstanding encumbrances	(160,249)
Budgetary basis fund balance at June 30, 2026	$ 18,534,767

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2026

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability (asset)	0.02492301%	0.02658685%	0.02519540%	0.02228740%	0.0215083%	0.0215802%	0.0205226%	0.0204393%	0.0219079%	0.0210916%
Proportionate share of the net pension liability (asset)	$ 1,406.1	$ 4,558.5	$ 3,709.8	$ 4,779.3	$ (1,758.2)	$ 21.5	$ 5,434.5	$ 1,448.2	$ 707.1	$ 1,981.8
Covered-employee payroll	$ 9,362.7	$ 8,977.4	$ 8,892.2	$ 7,989.2	$ 6,808.0	$ 6,808.0	$ 6,474.7	$ 6,226.7	$ 6,374.7	$ 5,910.5
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.02%	50.78%	41.72%	59.82%	-25.83%	0.32%	83.93%	23.26%	11.09%	33.53%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability (asset)	0.1646491%	0.1644958%	0.1639542%	0.1669150%	0.1664690%	0.1645560%	0.1627380%	0.1635250%	0.1673220%	0.1645600%
Proportionate share of the net pension liability (asset)	$ (9,749.0)	$ (4,907.9)	$ 1,875.0	$ 3,202.9	$ (28,847.5)	$ 4,547.1	$ (4,227.9)	$ (2,957.0)	$ (1,271.8)	$ 1,762.5
Covered-employee payroll	$ 33,379.5	$ 32,328.9	$ 31,408.1	$ 30,245.1	$ 19,575.3	$ 28,255.2	$ 29,235.7	$ 26,636.4	$ 27,961.8	$ 25,393.2
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-29.21%	-15.18%	5.97%	10.59%	-97.54%	16.09%	-14.46%	-11.10%	-4.55%	6.94%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.99%	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2026

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 1,439.4	$ 1,295.4	$ 993.1	$ 756.9	$ 1,066.5	$ 1,057.8	$ 933.5	$ 912.4	$ 955.1	$ 906.4
Contributions in relation to the contractually required contribution	1,439.4	1,295.4	993.1	756.9	1,066.5	1,057.8	933.5	912.4	955.1	906.4
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 9,362.7	$ 8,977.4	$ 8,892.2	$ 7,989.2	$ 6,808.0	$ 6,808.0	$ 6,474.7	$ 6,226.7	$ 6,374.7	$ 5,910.5
Contributions as a percentage of covered-employee payroll	15.37%	14.43%	11.17%	9.47%	15.54%	15.54%	14.42%	14.65%	14.98%	15.33%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 3,201.1	$ 3,268.4	$ 3,065.4	$ 3,112.2	$ 2,898.4	$ 2,692.7	$ 2,474.6	$ 2,884.8	$ 2,610.4	$ 3,367.1
Contributions in relation to the contractually required contribution	3,201.1	3,268.4	3,065.4	3,112.2	2,898.4	2,692.7	2,474.6	2,884.8	2,610.4	3,367.1
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 33,379.5	$ 32,328.9	$ 31,408.1	$ 30,245.1	$ 19,575.3	$ 28,255.2	$ 29,235.7	$ 26,636.4	$ 27,961.8	$ 25,393.2
Contributions as a percentage of covered-employee payroll	9.59%	10.11%	9.76%	10.29%	14.81%	9.53%	8.46%	10.83%	9.34%	13.26%

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2026

	Last 10 Fiscal Years								
	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability									
Service cost	$ 1,398,614	$ 1,658,096	$ 1,627,437	$ 1,739,056	$ 2,512,822	$ 3,015,761	$ 2,015,398	$ 1,389,830	$ 1,443,957
Interest	2,223,556	2,465,746	2,370,034	2,304,100	1,722,175	1,688,093	2,068,072	2,457,772	2,260,800
Changes of benefit terms	-	-	-	290,270	-	-	-	-	-
Differences between expected and actual experience	788,267	(10,294,738)	255,065	(6,894,146)	(103,937)	(3,723,029)	120,135	923,056	-
Changes in assumptions	3,324,318	(3,261,779)	(660,510)	(2,813,617)	(15,915,030)	4,945,658	14,214,509	(8,166,202)	(3,190,835)
Benefit payments	(2,796,752)	(2,507,970)	(2,373,266)	(2,064,428)	(2,112,217)	(2,042,999)	(1,859,307)	(1,777,686)	(1,331,725)
Total change in total OPEB liability	4,938,003	(11,940,645)	1,218,760	(7,438,765)	(13,896,187)	3,883,484	16,558,807	(5,173,230)	(817,803)
Total OPEB liability - beginning	46,211,112	58,151,757	56,932,997	64,371,762	78,267,949	74,384,465	57,825,658	62,998,888	63,816,691
Total OPEB liability - ending	$ 51,149,115	$ 46,211,112	$ 58,151,757	$ 56,932,997	$ 64,371,762	$ 78,267,949	$ 74,384,465	$ 57,825,658	$ 62,998,888
Covered-employee payroll	$ 37,921,844	$ 36,769,613	$ 34,239,613	$ 30,868,753	$ 30,868,753	$ 30,992,579	$ 34,801,959	$ 31,368,777	$ 32,382,959
Total OPEB liability as a percentage of covered-employee payroll	134.88%	125.68%	169.84%	208.53%	208.53%	252.54%	213.74%	184.34%	194.54%

Notes to schedule:

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

Discount rate	4.32%	4.81%	4.21%	4.13%	3.54%	2.16%	2.21%	3.87%	3.58%

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

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

NOTE: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

SUPPLEMENTARY INFORMATION

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

	School Lunch	Special Aid	Debt Service	Misc. Special Revenue	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents - unrestricted	$ 186,907	$ 90,711	$ -	$ -	$ 277,618
Cash and cash equivalents - restricted	-	-	3,699,428	492,406	4,191,834
Accounts receivable	2,481	32,396	-	-	34,877
Due from other funds	148,674	64,446	-	-	213,120
State and federal aid receivable	363,218	920,939	-	-	1,284,157
Inventory	31,240	-	-	-	31,240
TOTAL ASSETS	$ 732,520	$ 1,108,492	$ 3,699,428	$ 492,406	$ 6,032,846
LIABILITIES					
Accounts payable and accrued liabilities	$ 5,307	$ -	$ -	$ 10,356	$ 15,663
Due to other funds	619,085	1,108,492	-	-	1,727,577
Due to other governments	108	-	-	-	108
Due to Employees' Retirement System	24,641	-	-	-	24,641
Unearned revenue	34,538	-	-	-	34,538
TOTAL LIABILITIES	683,679	1,108,492	-	10,356	1,802,527
FUND BALANCE					
Nonspendable					
Inventory	31,240	-	-	-	31,240
Total nonspendable fund balance	31,240	-	-	-	31,240
Restricted					
Debt service	-	-	3,699,428	-	3,699,428
Other	17,601	-	-	482,050	499,651
Total restricted fund balance	17,601	-	3,699,428	482,050	4,199,079
TOTAL FUND BALANCE	48,841	-	3,699,428	482,050	4,230,319
TOTAL LIABILITIES AND FUND BALANCE	$ 732,520	$ 1,108,492	$ 3,699,428	$ 492,406	$ 6,032,846

See the accompanying independent auditor's report.

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	School Lunch	Special Aid	Debt Service	Misc. Special Revenue	Total Nonmajor Governmental Funds
REVENUE:					
Use of money and property	$ 72	$ -	$ 278,691	$ -	$ 278,763
Miscellaneous	125,521	-	-	157,236	282,757
State sources	1,196,991	752,425	-	-	1,949,416
Federal sources	527,189	1,055,626	-	-	1,582,815
Contributions	-	-	-	367,214	367,214
Sales - School lunch	254,742	-	-	-	254,742
Total revenue	2,104,515	1,808,051	278,691	524,450	4,715,707
EXPENDITURES:					
Instruction	-	1,897,900	-	-	1,897,900
Pupil Transportation	-	103,719	-	-	103,719
Employee benefits	258,604	2,866	-	-	261,470
Cost of sales	1,940,047	-	-	-	1,940,047
Other	-	-	372,753	540,933	913,686
Total expenditures	2,198,651	2,004,485	372,753	540,933	5,116,822
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(94,136)	(196,434)	(94,062)	(16,483)	(401,115)
OTHER SOURCES AND (USES):					
Premiums on issuance of debt	-	-	2,597,564	-	2,597,564
Operating transfers in	95,216	196,434	-	-	291,650
Operating transfers (out)	-	-	(386,451)	-	(386,451)
Total other sources (uses)	95,216	196,434	2,211,113	-	2,502,763
CHANGE IN FUND BALANCE	1,080	-	2,117,051	(16,483)	2,101,648
FUND BALANCE - beginning year	47,761	-	1,582,377	498,533	2,128,671
FUND BALANCE - end of year	$ 48,841	$ -	$ 3,699,428	$ 482,050	$ 4,230,319

See the accompanying independent auditor's report.

OTHER INFORMATION (UNAUDITED)

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2026 (UNAUDITED)

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 89,199,500
Add: Prior year's encumbrances	159,979
Original budget	89,359,479
Budget revision	10
Final budget	$ 89,359,489

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2026-2027 voter approved expenditure budget	$ 94,867,769
Maximum allowed (4% of 2026-2027 budget)	$ 3,794,711
General Fund fund balance subject to Section 1318 of real Property Tax Law*:	
Unrestricted fund balance:	
Assigned fund balance	$ 3,414,180
Unassigned fund balance	3,794,713
Total fund balance	7,208,893
Less:	
Appropriated fund balance	3,253,931
Encumbrances included in assigned fund balance	160,249
Total adjustments	3,414,180
General Fund fund balance subject to Section 1318 of Real Property Tax Law	$ 3,794,713
Actual percentage	4.00%

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

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2026

Project Title	Original Appropriation	Revised Appropriation	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
District-wide - Renovations Oct 2003	$ 15,995,000	$ 16,341,832	$ 16,341,832	$ -	$ 16,341,832	$ -
District-wide - Transporation	400,000	405,873	405,873	-	405,873	-
District-wide - Renovations EXCEL Mar '07	4,940,778	5,049,846	5,049,846	-	5,049,846	-
District-wide Renovations Trans Washbay	-	434,769	434,769	-	434,769	-
District-wide - Renovations Dec 2009	12,538,550	13,102,774	13,102,774	-	13,102,774	-
District-wide - Renovations Oct 2013	34,172,000	34,072,849	34,072,849	-	34,072,849	-
District-wide - Renovations Oct 2018	34,077,420	34,077,420	33,301,228	-	33,301,228	776,192
District-wide - Renovations Oct 2023	53,938,109	53,938,109	2,432,225	10,933,568	13,365,793	40,572,316
High School Paving (Capital Project Fund Transfer)	1,300,000	1,300,000	1,664,713	-	1,664,713	(364,713)
MS Classroom (23/24)	700,000	339,000	396,230	-	396,230	303,770
HS Auto Shop (23/24) - 3039		142,000	284,710	3,465	288,175	(288,175)
Capital Outlay Project (HS Classroom Lighting)	-	100,000	100,000	-	100,000	-
Capital Outlay Project (Pashley Classroom Lighting)	-	100,000	100,000	-	100,000	-
Capital Outlay Project (Middle School Classroom Lighting)	-	100,000	100,000		100,000	-
Capital Outlay Project (Stevens Classroom Lighting)	-	100,000	95,596	-	95,596	4,404
Capital Outlay Project (Pashley Classroom Lighting)	-	100,000	64,387	-	64,387	35,613
Capital Outlay Project (Charlton Heights Classroom Lighting)	-	100,000	40,348	-	40,348	59,652
Capital Outlay Project (Transportation Dept)	-	100,000	100,000	-	100,000	-
Capital Outlay Project (HS Kitchen/FACS)	-	100,000	91,832	-	91,832	8,168
Emergency Pool Project	-	-	130,000	-	130,000	(130,000)
Smart Schools Approval #1 (SSB1)	-	-	589,225	-	589,225	(589,225)
Smart Schools Approval #2 (SSB2)	-	-	377,160	-	377,160	(377,160)
Smart Schools Approval #4 (SSB4)	-	-	348,771	-	348,771	(348,771)
Smart Schools Approval #5 (SSB5)	-	-	170,000	-	170,000	(170,000)
Smart Schools Approval #6 (SSB6)	-	-	417,000	-	417,000	(417,000)
Smart Schools Approval #7 (SSB7)	-	-	30,310	-	30,310	(30,310)
	$ 158,061,857	$ 160,004,472	$ 110,241,678	$ 10,937,033	$ 121,178,711	$ 39,044,761

BURNT HILLS-BALLSTON LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
June 30, 2026

Capital assets, net		$ 109,412,043
Deduct:		
Bond anticipation notes	$ 32,935,000	
Short-term portion of lease payable	2,616	
Long-term portion of lease payable	5,573	
Short-term portion of bonds payable	3,730,000	
Long-term portion of bonds payable	35,230,000	
Deferred inflow of resources - gain on defeasance	110,332	
Unamortized bond premium	3,820,146	
		75,833,667
Add:		
Unspent bond proceeds	21,289,735	
		21,289,735
Net investment in capital assets		$ 54,868,111

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

Bonadio & Co., LLP
Accounting, Consulting & More

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

October 8, 2026

The Board of Education of
Burnt Hills Ballston Lake 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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Burnt Hills Ballston Lake Central School District (School District) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated October 8, 2026.

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

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

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

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(Continued)

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

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

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

Bonadio & Co. LLP