GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

BASIC FINANCIAL STATEMENTS

For the Year Ended
June 30, 2026

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
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Independent Auditor's Report

Board of Education
Gilbertsville - Mount Upton Central School District

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gilbertsville - Mount Upton Central School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Gilbertsville - Mount Upton Central 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 Gilbertsville - Mount Upton Central 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 Gilbertsville - Mount Upton Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Gilbertsville - Mount Upton Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Gilbertsville - Mount Upton Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Gilbertsville - Mount Upton Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gilbertsville - Mount Upton Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The other supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2026, on our consideration of the Gilbertsville - Mount Upton Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Gilbertsville - Mount Upton 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 Gilbertsville - Mount Upton Central School District's internal control over financial reporting and compliance.

D'Arcangelo & Co., LLP

September 16, 2026

Utica, New York

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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*

Board of Education
Gilbertsville - Mount Upton Central School District

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilbertsville - Mount Upton Central School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Gilbertsville - Mount Upton Central School District's basic financial statements, and have issued our report thereon dated September 16, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo & Co., LLP

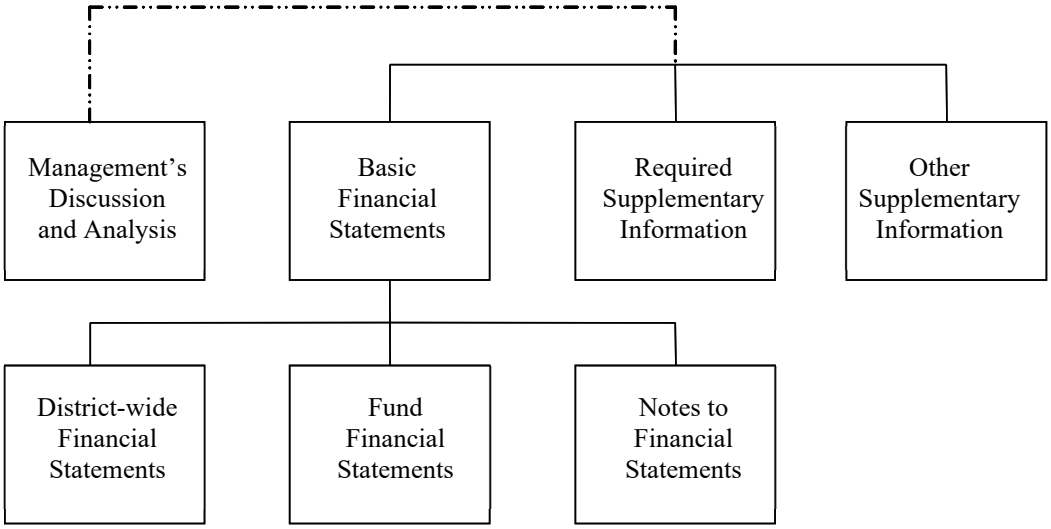
September 16, 2026

Utica, New York

The Gilbertsville - Mount Upton Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2026 and 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

1. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



A. District-wide Financial Statements

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. General Fund, Special Aid Fund, and Capital Projects Fund are reported as major governmental funds and are presented separately in the governmental fund statements. School Lunch Fund, Miscellaneous Special Revenue Fund, and Debt Service Fund are reported collectively as non-major governmental funds.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

2. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased by $1,197,140 between fiscal year 2026 and 2025. A summary of the District's Statement of Net Position for June 30, 2026 and 2025 is as follows:

	2026	2025	Increase/ (Decrease)	Percentage Change
Current and Other Assets	$ 7,896,945	$ 6,677,160	$ 1,219,785	18.3%
Capital Assets, (Net of Depreciation)	17,549,907	17,013,913	535,994	3.2%
Total Assets	25,446,852	23,691,073	1,755,779	7.4%
Deferred Outflows of Resources	2,044,420	2,227,490	(183,070)	(8.2%)
Total Assets and Deferred Outflows	$ 27,491,272	$ 25,918,563	$ 1,572,709	6.1%
Current and Other Liabilities	$ 680,418	$ 3,763,078	$ (3,082,660)	(81.9%)
Non-Current Liabilities	10,605,674	6,263,503	4,342,171	69.3%
Total Liabilities	11,286,092	10,026,581	1,259,511	12.6%
Deferred Inflows of Resources	4,970,094	5,854,036	(883,942)	(15.1%)
Net Position				
Net Investment in Capital Assets	$ 12,597,593	$ 15,465,418	$ (2,867,825)	(18.5%)
Restricted	4,927,859	4,563,394	364,465	8.0%
Unrestricted (Deficit)	(6,290,366)	(9,990,866)	3,700,500	37.0%
Total Net Position	11,235,086	10,037,946	1,197,140	11.9%
Total Liabilities, Deferred Inflows, and Net Position	$ 27,491,272	$ 25,918,563	$ 1,572,709	6.1%

Current and other assets increased by $1,219,785, as compared to the prior year. The increase is primarily due to an increase in cash, including restricted cash because of an increase in reserves, and an increase in the TRS net pension asset of $405,818.

Capital assets increased by $535,994, as compared to the prior year. The increase is due to fixed asset additions and capital project spending exceeding depreciation expense for the year.

Deferred outflows of resources decreased by $183,070, as compared to the prior year, due primarily to a decrease related to Other Postemployment Benefits (OPEB) and deferred outflows of resources for ERS and TRS.

Non-current liabilities increased by $4,342,171, as compared to the prior year. The increase is a result of the permanent financing bonds of $3.81 million issued in June 2026 as well as the increase in the OPEB liability of $537,475.

Other liabilities decreased by $3,082,660, as compared to the prior year. This decrease primarily relates to the $2.5 million in Bond Anticipation Notes that were replaced by the permanent financing bonds in June 2026 and a decrease in the ERS net pension liability of approximately $500,000.

Deferred inflows of resources decreased by $883,942, as compared to prior year, due primarily to deferred inflows of resources for amounts provided by the ERS and TRS.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction and for leasing assets from the total cost of all asset acquisitions and leased assets, net of accumulated depreciation and amortization.

The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The unrestricted net position at June 30, 2026, is a deficit of $6,290,366 which represents the amount by which the District's liabilities and deferred inflows exceeded the District's assets and deferred outflows, other than capital and right to use assets, excluding debt related to capital construction and any lease liabilities. The net position impact of liabilities and deferred inflows, net of deferred outflows related to other post-employment benefits totals $7,609,224.

The restricted portion of the net position increased during the year by $364,465 due to a net increase in the District's reserves, primarily the Capital Reserve.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. A summary of this statement for the years ended June 30, 2026 and 2025 is as follows:

Revenues	2026		2025		Increase/ (Decrease)	Percentage Change
Program Revenues						
Charges for Services	$ 11,741	0.1%	$ 9,131	0.1%	$ 2,610	28.6%
Operating Grants	771,585	6.4%	896,813	7.3%	(125,228)	(14.0%)
General Revenues						
Property Taxes and STAR	2,849,233	23.7%	2,779,552	22.7%	69,681	2.5%
State and Federal Sources	7,830,713	65.2%	7,961,416	64.8%	(130,703)	(1.6%)
Other	547,062	4.6%	621,091	5.1%	(74,029)	(11.9%)
Total Revenues	12,010,334	100.0%	12,268,003	100.0%	(257,669)	(2.1%)
Expenses						
General Support	2,548,453	23.5%	2,314,324	21.4%	234,129	10.1%
Instruction	6,699,912	62.0%	7,291,916	66.9%	(592,004)	(8.1%)
Pupil Transportation	990,940	9.2%	800,324	7.3%	190,616	23.8%
Community Service	500	0.0%	500	0.0%		0.0%
Debt Service-Unallocated Interest	226,856	2.1%	145,791	1.3%	81,065	55.6%
Food Service Program	346,533	3.2%	340,031	3.1%	6,502	1.9%
Total Expenses	10,813,194	100.0%	10,892,886	100.0%	(79,692)	(0.7%)
Total Change in Net Position	$ 1,197,140		$ 1,375,117		$ (177,977)	(12.9%)

The District's revenues decreased by $257,669 in 2026 or approximately 2.1%. The factors that contributed to this decrease were as follows:

- State and federal sources decreased by $130,703, or 1.6%, primarily due to decreases in building state aid.
- Operating grants decreased by $125,228, or 14.0%, primarily due to a decrease in the education stabilization funds and the state funded UPK program.
- Property taxes and STAR increased by $69,681, or 2.5%.
- Other revenue sources decreased by $74,029, primarily due to a decrease in the BOCES refund.

The District's expenses for the year decreased by $79,692 or 0.7% primarily due to a decrease in instruction expense which was related to a decrease in education stabilization fund spending and the state funded UPK program along with favorable budgetary variances in special education programs as several out of district placements were brought back in-house at the district which realized some cost savings.

3. FINANCIAL ANALYSIS MAJOR GOVERNMENTAL FUNDS

The District reports three major funds individually in the governmental fund financial statements. Those funds are the General Fund, Special Aid Fund, and the Capital 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 in the government-wide financial statements.

A summary of the major funds for the years ended June 30, 2026 and 2025 is as follows:

	General Fund		Special Aid Fund		Capital Fund	
	2026	2025	2026	2025	2026	2025
Total Revenues	$ 11,117,358	$ 11,289,366	$ 493,628	$ 611,051	$ 14,658	$
Total Expenditures	10,077,031	10,764,955	493,628	611,051	1,668,440	3,860,812
Other Financing Sources (Uses)						
Proceeds of Debt					3,810,000	93,700
BANs Redeemed from Appropriations	(145,000)				145,000	
Transfers from Other Funds	71,447				671,505	591,000
Transfers to Other Funds	(522,952)	(591,000)				
Total Other Financing Sources (Uses)	(596,505)	(591,000)			4,626,505	684,700
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	443,822	(66,589)			2,972,723	(3,176,112)
Fund Balance (Deficit), Beginning of Year	4,956,239	5,022,828			(2,384,437)	791,675
Fund Balance (Deficit), End of Year	$ 5,400,061	$ 4,956,239	$	$	$ 588,286	$ (2,384,437)

General Fund

General Fund revenues decreased slightly compared to prior year primarily due to a decrease in Building State Aid. General Fund expenses decreased due to a decrease in instruction expense which was related to favorable budgetary variances in special education programs as several out of district placements were brought back in-house at the district which realized some cost savings. Additionally, the final principal payment of $745,000 was paid in 2025 on the 2017 Refunding Bond. Other financing sources (uses) consisted of a principal payment on the BAN redeemed from appropriations in the amount of $145,000 and transfers primarily to the Capital Fund out of the General Fund Capital Reserve to finance bus purchases.

Special Aid Fund

The Special Aid Fund is used to account for various Federal and State grant programs. The decrease in revenues and expenses in the Special Aid Fund year over year primarily relates to a decrease in the education stabilization funds and the state funded UPK program.

Capital Fund

Capital Fund expenditures for the current year and prior year consisted of spending on the $5.2 million capital project that was finalized during the fiscal year ended June 30, 2026. Other financing sources consisted of the issuance of permanent financing bonds in June 2026 for $3.81 million, a principal payment on the BAN redeemed from appropriations in the amount of $145,000, and transfers from the General Fund Capital Reserve to finance bus purchases as well as transfers from the Debt Service Fund of the premium from the issuance of permanent financing bonds net of bond issuance costs.

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2026, the District's governmental funds reported a combined fund balance of $6,486,761, which is an increase of $3,454,253 from the prior year. This increase is due to revenues exceeding expenditures for the year, primarily in the Capital Fund. A summary of the change in fund balance by fund is as follows:

	2026	2025	Increase/ (Decrease)
Major Funds			
General Fund			
Restricted for:			
Capital	$ 1,953,887	$ 1,513,845	$ 440,042
Liability	248,386	239,233	9,153
Unemployment Insurance	259,040	249,494	9,546
Retirement Contribution	1,032,799	898,816	133,983
Employee Benefit Accrued Liability	604,434	698,730	(94,296)
Total Restricted	4,098,546	3,600,118	498,428
Assigned	557,605	668,150	(110,545)
Unassigned	743,910	687,971	55,939
Total General Fund	5,400,061	4,956,239	443,822
Capital Projects Fund			
Restricted	588,286	527,447	60,839
Unassigned (Deficit)		(2,911,884)	2,911,884
Total Capital Fund (Deficit)	588,286	(2,384,437)	2,972,723
Total Major Funds Fund Balance	5,988,347	2,571,802	3,416,545
Non-Major Funds			
School Lunch Fund	34,421	24,877	9,544
Miscellaneous Special Revenue Fund	71,896	60,298	11,598
Debt Service Fund	392,097	375,531	16,566
Total Non-Major Funds Fund Balance	498,414	460,706	37,708
Total Fund Balance	$ 6,486,761	$ 3,032,508	$ 3,454,253

Note 12 to the Financial Statements provides additional information on the Reserves.

General Fund

The increase in General Fund fund balance was primarily attributable to revenues exceeding expenditures during the year due to favorable budgetary variances, partially offset by transfers to other funds and the use of resources to redeem a BAN.

Capital Fund

The increase in the Capital Fund fund balance was primarily attributable to the issuance of permanent financing bonds in June 2026 and transfers from the General Fund Capital Reserve to finance ongoing capital projects and bus purchases, which exceeded current year capital expenditures.

5. SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

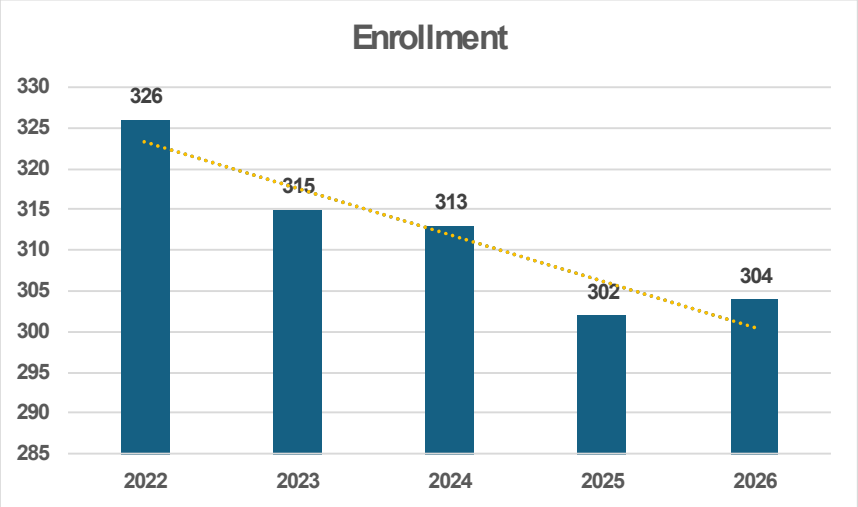
During 2026, capital asset activity primarily consisted of the completion of the capital project, which was fully placed into service and reclassified to buildings and improvements. After depreciation and asset disposals, net capital assets increased by $535,994, or 3.2%.

In June 2026, the District refinanced $4.2 million of Bond Anticipation Notes (BANs) issued in July 2025 with permanent financing of a $3.81 million serial bond. The District made $145,000 of principal payments on those BANs when they matured. The District also made $160,000 of principal payments on previously outstanding serial bonds. At year end, approximately $305,000 of bond principal is due within one year.

6. CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

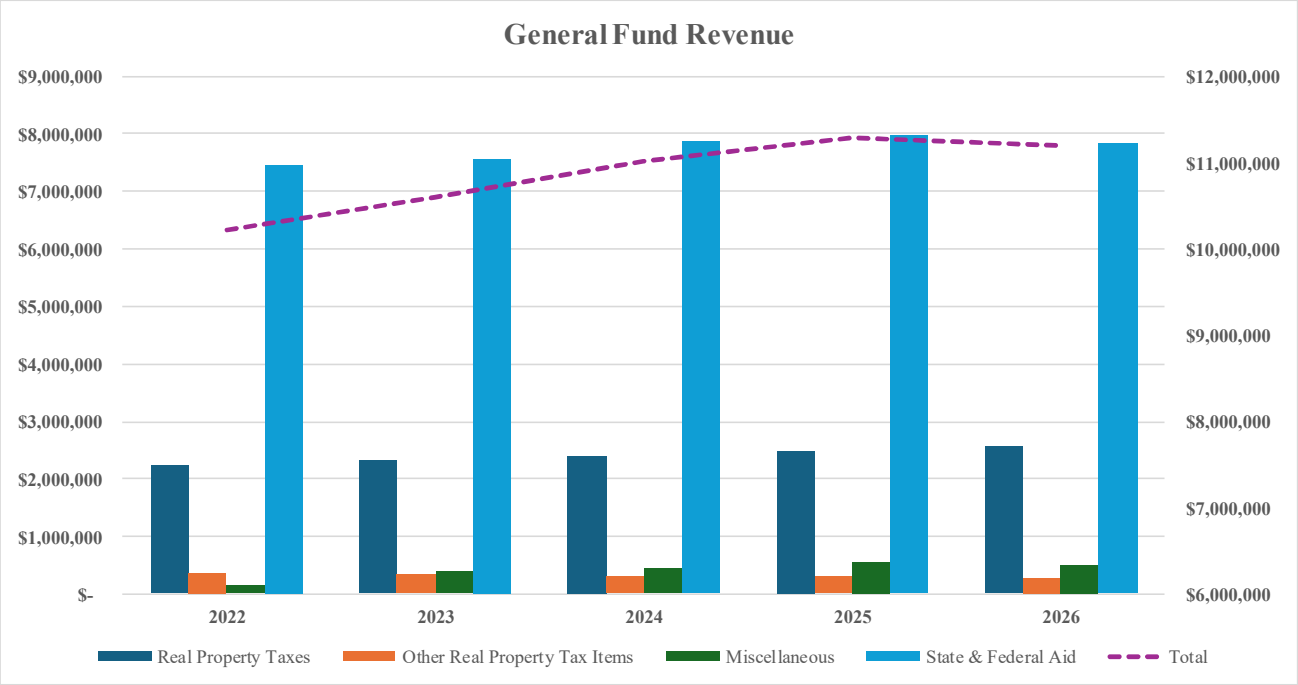
The voters of the Gilbertsville-Mount Upton Central School District approved a budget of $11,760,000 for the 2026-2027 school year. The Board of Education and Administration have remained committed to balancing fiscal responsibility with the educational needs of our students. Throughout the budget development process, preserving high-quality educational opportunities while maintaining long-term financial stability remained a primary focus.

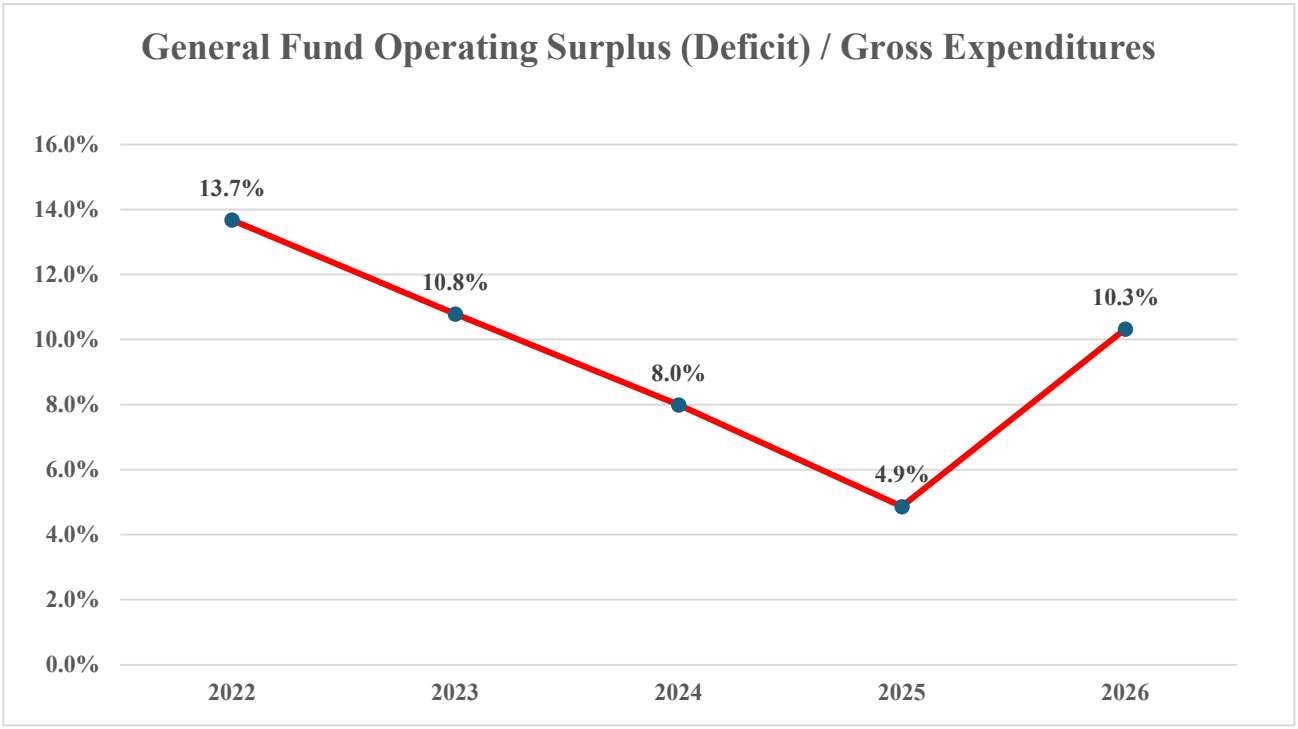
The District serves a rural community that continues to experience many of the demographic and economic challenges facing school districts across Upstate New York. Both the Gilbertsville and Mount Upton areas, along with the surrounding Chenango and Otsego County regions, have experienced population declines, aging demographics, and reduced school-age populations in recent years. These trends have contributed to a steady decline in student enrollment and have reduced the District's ability to spread fixed operating costs across a larger student population. At the same time, rising housing values, inflationary pressures, and increasing costs for goods and services have continued to impact both school district operations and local taxpayers.

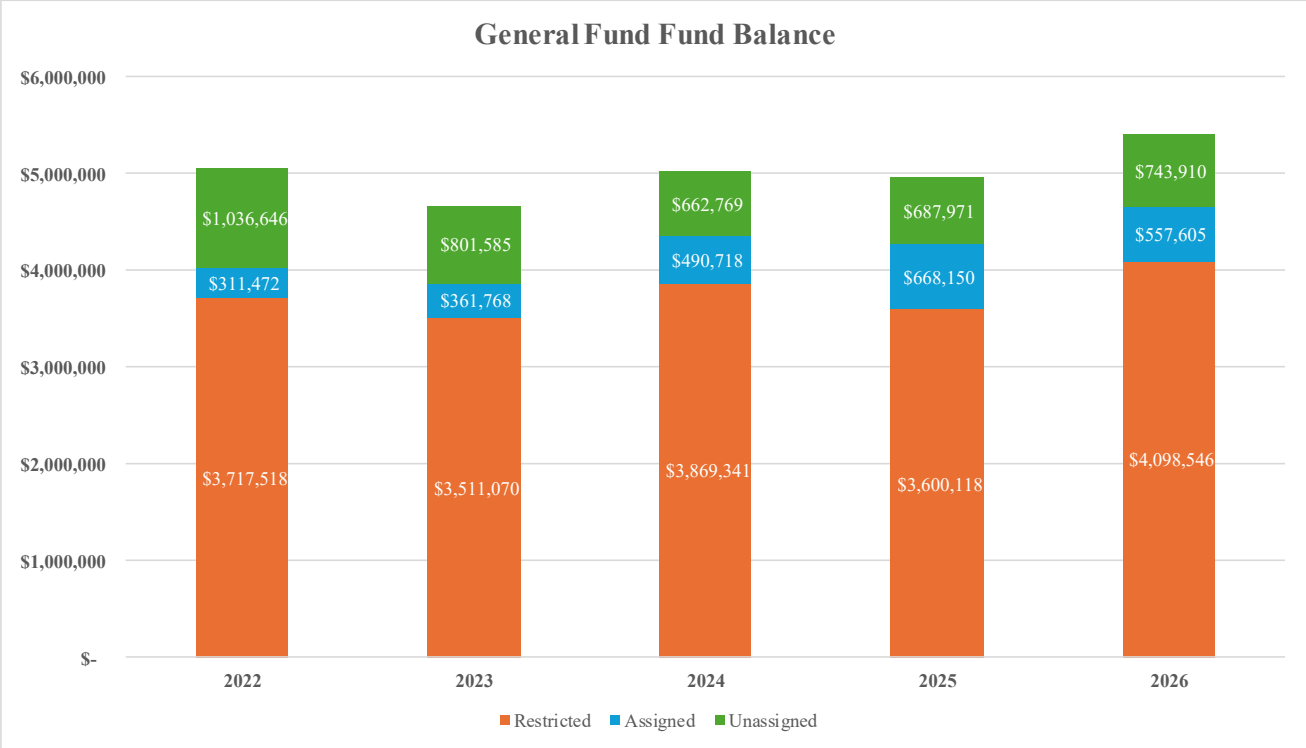


The development of the 2026-2027 budget was further challenged by several significant financial factors. While expenditures continue to increase, state aid growth remains limited and is not keeping pace with inflationary and operational cost increases. Additionally, the District faces increased contractual obligations, including negotiated salary and benefit costs, rising health insurance premiums, transportation expenses, utility costs, special education services, and mandated programs. These factors have placed continued pressure on the District's financial resources.

In response to these challenges, the Board of Education and Administration carefully reviewed all expenditures and revenue sources while working to protect classroom programs and services. As a result of the combination of declining enrollment, minimal increases in state funding, and growing contractual and operational obligations, the District was required to appropriate an additional $547,285 in fund balance and reserves to present a balanced budget while maintaining programs and services for students.


General Fund Revenue
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
$12,000,000
$11,000,000
$10,000,000
$9,000,000
$8,000,000
$7,000,000
$6,000,000
2022
2023
2024
2025
2026
Real Property Taxes
Other Real Property Tax Items
Miscellaneous
State & Federal Aid
Total


General Fund Operating Surplus (Deficit) / Gross Expenditures
16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
13.7%
10.8%
8.0%
4.9%
10.3%
2022
2023
2024
2025
2026



Overall, the District remains in a sound financial position and will continue to operate conservatively while delivering educational programs at a level reasonably expected of a public school district. Strategic reserves have been established to help mitigate short-term revenue fluctuations, unexpected expenditures, and other financial uncertainties. However, the Board of Education and Administration recognize that reliance on appropriated fund balance and reserves is not a sustainable long-term strategy. As such, the District continues to evaluate and implement long-range solutions designed to enhance operational efficiency, align staffing and resources with enrollment trends, pursue additional revenue opportunities, and ensure the long-term fiscal health of the Gilbertsville-Mount Upton Central School District.

7. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office at Gilbertsville - Mount Upton Central School District, 693 State Highway 51, Gilbertsville, New York 13776-1104.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2026

Assets		
Cash and Cash Equivalents	$	848,581
Restricted Cash and Cash Equivalents		5,167,106
Receivables		
Due From Other Governments		898,022
Due From Fiduciary Funds		36
Other Receivables		18,600
Inventory		16,285
Net Pension Asset - Proportionate Share		871,948
Right to Use Leased Assets (Net of Amortization)		76,367
Capital and Leased Assets (Net of Accumulated Depreciation)		17,549,907
Total Assets		25,446,852
Deferred Outflows of Resources		
Pensions		1,394,112
Deferred Charges From Refunding of Debt (Net of Amortization)		179,671
Other Post Employment Benefits		470,637
Total Deferred Outflows of Resources		2,044,420
Total Assets and Deferred Outflows of Resources	$	27,491,272
Liabilities		
Accounts Payable	$	114,560
Accrued Liabilities		3,108
Accrued Interest Payable		14,994
Due To		
Other Governments		174
Teachers' Retirement System		284,907
Employees' Retirement System		59,120
Net Pension Liability - Proportionate Share		203,555
Noncurrent Liabilities		
Due Within One Year		
Bonds Payable		305,000
Lease Liability		37,233
Bond Premium		53,776
Compensated Absences		79,841
Due in More Than One Year		
Bonds Payable		4,850,000
Lease Liability		37,233
Bond Premium		513,396
Compensated Absences		459,717
Other Post Employment Benefits		4,269,478
Total Liabilities		11,286,092
Deferred Inflows of Resources		
Pensions		1,159,711
Other Post Employment Benefits		3,810,383
Total Deferred Inflows of Resources		4,970,094
Net Position		
Net Investment in Capital Assets		12,597,593
Restricted		5,150,825
Unrestricted (Deficit)		(6,513,332)
Total Net Position		11,235,086
Total Liabilities, Deferred Inflows of Resources and Net Position	$	27,491,272

The Accompanying Notes are an Integral Part of These Financial Statements.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
General Support	$ 2,548,453	$	$	$ (2,548,453)
Instruction	6,699,912		493,628	(6,206,284)
Pupil Transportation	990,940			(990,940)
Community Service	500			(500)
Debt Service - Unallocated Interest	226,856			(226,856)
Food Service	346,533	11,741	277,957	(56,835)
Total Functions/Programs	$ 10,813,194	$ 11,741	$ 771,585	(10,029,868)
General Revenues				
Real Property Taxes, STAR and Other Real Property Items				2,849,233
Use of Money and Property				256,676
Sales of Property and Compensation for Loss				38,227
State and Federal Sources				7,830,713
Miscellaneous				252,159
Total General Revenues				11,227,008
Change in Net Position				1,197,140
Net Position, Beginning of Year				10,037,946
Net Position, End of Year				$ 11,235,086

The Accompanying Notes are an Integral Part of These Financial Statements.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2026

	Major Funds				
	General	Special Aid	Capital	Non-Major Funds	Total
Assets					
Cash and Cash Equivalents	$ 753,281	$ 73,246	$	$ 22,054	$ 848,581
Restricted Cash and Cash Equivalents	4,098,546		630,076	438,484	5,167,106
Receivables					
Due From Other Governments	759,983	107,076		30,963	898,022
Due From Other Funds	250,770	12,948		32,302	296,020
Other Receivables	18,600				18,600
Inventory				16,285	16,285
Total Assets	$ 5,881,180	$ 193,270	$ 630,076	$ 540,088	$ 7,244,614
Liabilities					
Payables					
Accounts Payable	$ 114,560	$	$	$	$ 114,560
Accrued Liabilities	3,108				3,108
Due To					
Other Governments				174	174
Other Funds	19,424	193,270	41,790	41,500	295,984
Teacher's Retirement System	284,907				284,907
Employees' Retirement System	59,120				59,120
Total Liabilities	481,119	193,270	41,790	41,674	757,853
Fund Balance					
Nonspendable				16,285	16,285
Restricted	4,098,546		588,286	463,993	5,150,825
Assigned	557,605			18,136	575,741
Unassigned	743,910				743,910
Total Fund Balance	5,400,061		588,286	498,414	6,486,761
Total Liabilities and Fund Balance	$ 5,881,180	$ 193,270	$ 630,076	$ 540,088	$ 7,244,614

The Accompanying Notes are an Integral Part of These Financial Statements.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2026

	Total Governmental Funds (Modified Accrual)	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Total
Assets				
Cash and Cash Equivalents	$ 848,581	$	$	$ 848,581
Restricted Cash and Cash Equivalents	5,167,106			5,167,106
Receivables				
Due from Other Governments	898,022			898,022
Due from Other Funds	296,020		(295,984)	36
Other Receivables	18,600			18,600
Inventory	16,285			16,285
Net Pension Asset - Proportionate Share		871,948		871,948
Right to Use Leased Assets, (Net of Amortization)		76,367		76,367
Capital Assets (Net of Accumulated Depreciation)		17,549,907		17,549,907
Total Assets	7,244,614	18,498,222	(295,984)	25,446,852
Deferred Outflows of Resources		2,044,420		2,044,420
Total Assets and Deferred Outflows of Resources	$ 7,244,614	$ 20,542,642	$ (295,984)	$ 27,491,272
Liabilities				
Accounts Payable	$ 114,560	$	$	$ 114,560
Accrued Liabilities	3,108			3,108
Accrued Interest Payable		14,994		14,994
Bonds Payable		5,155,000		5,155,000
Bond Premium		567,172		567,172
Due To				
Due to Other Governments	174			174
Other Funds	295,984		(295,984)	
Teachers' Retirement System	284,907			284,907
Employees' Retirement System	59,120			59,120
Compensated Absences		539,558		539,558
Other Postemployment Benefits		4,269,478		4,269,478
Lease Liability		74,466		74,466
Net Pension Liability - Proportionate Share		203,555		203,555
Total Liabilities	757,853	10,824,223	(295,984)	11,286,092
Deferred Inflows of Resources		4,970,094		4,970,094
Fund Balance/Net Position	6,486,761	4,748,325		11,235,086
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	$ 7,244,614	$ 20,542,642	$ (295,984)	$ 27,491,272

The Accompanying Notes are an Integral Part of These Financial Statements.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	Major Funds							
	General	Special Aid	Capital	School Lunch	Miscellaneous Special Revenue	Debt Service	Non-Major Funds	Total
Revenues								
Real Property Taxes	$ 2,553,888	$	$	$	$	$	$	$ 2,553,888
STAR and Other Real Property Tax Items	295,345							295,345
Use of Money and Property	205,016						433,138	638,154
Sale of Property and Compensation for Loss	41,000							41,000
Miscellaneous	191,396		14,658				46,105	252,159
State Aid	7,813,076	165,277					58,820	8,037,173
Federal Aid	17,637	328,351					219,137	565,125
School Lunch Sales							11,741	11,741
Total Revenues	11,117,358	493,628	14,658				768,941	12,394,585
Expenditures								
General Support	1,909,526		1,179,808				25,205	3,114,539
Instruction	4,733,412	450,335						5,183,747
Pupil Transportation	722,975	6,316	488,632					1,217,923
Community Service	500							500
Food Service Program							279,202	279,202
Employee Benefits	2,278,778	36,977					70,348	2,386,103
Debt Service - Principal	197,233							197,233
Debt Service - Interest	234,607							234,607
Total Expenditures	10,077,031	493,628	1,668,440				374,755	12,613,854
Excess (Deficit) Revenues Over Expenditures	1,040,327		(1,653,782)				394,186	(219,269)
Other Financing Sources (Uses)								
Proceeds of Debt			3,810,000					3,810,000
Cost of Issuance							(136,478)	(136,478)
BANs Redeemed from Appropriations	(145,000)		145,000					
Transfers from Other Funds	71,447		671,505				80,000	822,952
Transfers to Other Funds	(522,952)						(300,000)	(822,952)
Total Other Financing Sources (Uses)	(596,505)		4,626,505				(356,478)	3,673,522
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	443,822		2,972,723				37,708	3,454,253
Fund Balance (Deficit), Beginning of Year	4,956,239		(2,384,437)	24,877	60,298	375,531		3,032,508
Reclassification of Major Funds to Non-Major Funds				(24,877)	(60,298)	(375,531)	460,706	
Fund Balance (Deficit), Beginning of Year (Restated)	4,956,239		(2,384,437)				460,706	3,032,508
Fund Balance, End of Year	$ 5,400,061	$	$ 588,286	$	$	$	$ 498,414	$ 6,486,761

The Accompanying Notes are an Integral Part of These Financial Statements.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2026

Net Changes in Fund Balance - Total Governmental Funds		$ 3,454,253
Capital Outlays to purchase, build, or lease assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation or amortization expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation and amortization expense in the period.		
Depreciation and Amortization Expense	(1,049,305)	
Loss on Disposal	(2,773)	
Capital Outlays	1,548,940	496,862
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments of bond and lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Bonds issued at a premium create revenue for the governmental funds but that premium is amortized over the life of the bond in the Statement of Net Position.		
New Premium on Bond Issuance	(381,478)	
New Bond Issuance Cost	136,478	
Issuance of Serial Bonds	(3,810,000)	
Bond and Lease Principal Payments	197,233	
Amortization of Deferred Charge On Bond Issuance	(6,171)	
Amortization of Premium on Bonds	26,528	(3,837,410)
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in Accrued Interest on Debt	(12,606)	
Change in Compensated Absences	163,021	
Change in Other Postemployment Benefits	598,640	
Change in Pension Expense	334,380	1,083,435
Change in Net Position Governmental Activities		$ 1,197,140

The Accompanying Notes are an Integral Part of These Financial Statements.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2026

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	$ 65,837
Liabilities	
Due to Other Funds	$ 36
Net Position	
Restricted for Extraclassroom Activities	65,801
Total Liabilities and Net Position	$ 65,837

The Accompanying Notes are an Integral Part of These Financial Statements.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2026

	Custodial Fund
Additions	
Charges for Services, Sale of Property, and Miscellaneous	$ 62,573
Deductions	
Club Activities	63,265
Change in Net Position	(692)
Net Position, Beginning of Year	66,493
Net Position, End of Year	$ 65,801

The Accompanying Notes are an Integral Part of These Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gilbertsville - Mount Upton Central School District (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as they apply 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.

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

Reporting Entity

The 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. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls, all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

The accompanying financial statements present the activities of the 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 certain entities 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 Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. 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 a custodial fund.

Joint Ventures

The School District is a component district in Delaware, Chenango, Madison, and Otsego Board of Cooperative Education Services (BOCES). A 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.

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

Basis of Presentation

(a) District-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, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary grants.

The Statement of Activities presents a comparison between direct expenses and program revenues 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. Indirect expenses, principally employee benefits, and depreciation expense are allocated to functional areas in proportion to the payroll expended and total expenditures, respectively for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(b) Fund Financial Statements

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

Major Funds

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

Special Aid Fund**:** This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

Capital Projects Fund**:** This fund is used to account for and report financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Non-Major Funds

Special Revenue Funds:

School Lunch Fund**:** This fund is used to account for and report transactions of the School District's food service operations.

Miscellaneous Special Revenue Fund: This fund is used to account for arrangements in which principal and income benefits annual third party awards and scholarships. Established criteria govern the use of the funds and members of the district or representatives of the donors may serve on committees to determine who benefits.

Debt Service Funds**:** This fund accounts for and reports all financial resources that are restricted to expenditures for principal and interest. Debt Service Funds should be used to report resources if legally mandated.

Change in Major Funds – Effective for the fiscal year ended June 30, 2026, the District reclassified the School Lunch, Miscellaneous Special Revenue and Debt Service Funds from Major to Non-Major Funds. This reclassification is reported as a change within the financial reporting entity and is reflected as an adjustment to beginning fund balance of the fund's columns and the aggregate Non-Major governmental funds column in the governmental fund financial statements.

(c) Fiduciary Funds

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

Custodial Funds: These funds are strictly custodial in nature. Assets are held by the School District as agent for various student groups or extraclassroom activity funds.

Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State aid, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

Estimates

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

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of one year or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since management believes that such allowance would not be material.

Inventories

The inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, donated by the U.S. Department of Agriculture, at the government's assigned value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Capital Assets

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

The School District uses capitalization thresholds of $1,000, (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	Lives	Depreciation Method
Furniture, Equipment and Vehicles	4-20 Years	Straight Line
Buildings and Improvements	20-30 Years	Straight Line

Right to Use Leased Assets

The District has recorded right to use lease assets as a result of implementing GASB 87 -Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the District-wide Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years. The third relates to a deferred outflow of funds due to a Deferred Charge on the Advance Refunding of Bonds. This charge is being amortized over the life of the remaining debt.

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to mid-November. Uncollected real property taxes are subsequently enforced by the counties of Otsego and Chenango. An amount, representing uncollected real property taxes transmitted to the counties for enforcement, is paid by the counties to the School District no later than the forthcoming April 1.

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.

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 11 to the financial statements.

Deferred Inflows of Resources

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

Compensated Absences

The School District's employees are granted vacation leave in varying amounts, based primarily on length of service and employment classification. Some earned vacation benefits may be forfeited if not used within designated timeframes, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions are governed by negotiated labor agreements and individual employment contracts. Upon retirement, resignation, or death, employees may be eligible to receive payment for unused accumulated sick leave, in accordance with those agreements.

In accordance with GASB, a liability is recognized in the district-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee and it is more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end, and includes salary-related payments such as applicable employer payroll taxes.

In the fund financial statements, a liability is reported only for amounts that have matured—typically when payment is due upon resignation, retirement, or other termination—based on expendable and available financial resources.

Other Benefits

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

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Accrued Liabilities and Long-Term Obligations

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

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

Equity Classifications

(a) District-wide Statements

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

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

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

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

(b) Fund Statements

The School District follows GASB's authoritative guidance under GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

Non-Spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance consists of inventory recorded in the School Lunch Fund.

Restricted Resources

This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***Capital Reserve***

  The Capital Reserve 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 people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of 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 Section 3651 of Education Law. This reserve is accounted for in the General Fund.

- ***Liability Reserve***

  The Property Loss and Liability Reserves [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. These reserves are accounted for in the General Fund.

- ***Unemployment Insurance Reserve***

  The 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.

- ***Retirement Contribution Reserve***

  The Retirement Contribution Reserve (GML 6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. The Board of Education adopted a resolution in May 2019 to establish a sub-fund for the District. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law 6-r.

- ***Reserve for Employee Benefit Accrued Liability***

  The Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

- ***Miscellaneous Special Revenue Fund***

  This fund is used to account for various endowment and scholarship awards.

- ***Debt Service Fund***

  This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds.

- ***Capital Project Fund***

  This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

- ***Committed*** **-** Includes amounts that can only 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*** – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than capital fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General Fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund resources that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Restricted for Extraclassroom Activities **-** This reserve is used to account for various student groups or extraclassroom activities. This reserve is accounted for in the Custodial Fund.

(d) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School district and then determine the order of application of expenditures to which the fund balance classification will be charged.

New Accounting Standards

Effective for the fiscal year ended June 30, 2026, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. This standard establishes changes to certain components of the financial reporting model, including management's discussion and analysis, the presentation of unusual or infrequent items, proprietary fund reporting, major component unit information, and budgetary comparison information.

For the District, the implementation of GASB 103 resulted primarily in changes to the presentation and content of management's discussion and analysis and budgetary comparison information. Budgetary comparison schedules for the General Fund are presented as required supplementary information and include separate original-to-final budget and final budget-to-actual variances, with significant variances explained in the accompanying notes. The implementation did not result in a material change to the District's reported net position or fund balance.

Effective for the fiscal year ended June 30, 2026, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*. This standard requires certain types of capital assets, including lease assets and subscription assets, and related accumulated amortization to be disclosed separately within the capital asset note. The District applied the provisions of GASB 104 retroactively, as applicable and practicable. The implementation of this standard did not have a material effect on total capital assets or net position.

Future Changes in Accounting Standards

GASB Statement No. 105, *Subsequent Events*, effective for the year ending June 30, 2027.

The District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

2. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities

The 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 Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balances Compared To Statement of Activities

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

(a) Long-Term Revenue Differences

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

(b) 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 or lease of capital items in the governmental fund statements and depreciation and amortization expense on those items as recorded in the Statement of Activities.

(c) Long-Term Debt Transaction Differences

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

(d) Pension Differences

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

(e) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balances based on the requirements of New York State. These costs have been allocated based on total salary for each function on the Statement of Activities.

(f) OPEB Differences

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

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. At June 30, 2026, the School District's General Fund unassigned fund balance was 6.33% of the 2026-2027 budget, which is not in compliance with laws and regulations.

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund 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) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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.

Change from Adopted Budget to Revised Budget

Adopted Budget	$ 11,560,000
Add: Prior Year's Encumbrances	35,714
Original Budget	11,595,714
Add: Appropriated from EBALR Reserve	117,657
Add: Voter Approved Bus Purchases	362,952
Final Budget	$ 12,076,323

The budget and actual comparison for the Special Revenue Funds (if any) reflects budgeted and actual amounts only for funds with legally authorized (appropriated) budgets.

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

Encumbrances

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

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

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. The School District's policy for custodial credit risk and New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

A. Uncollateralized;
B. Collateralized by securities held by the pledging financial institution, or
C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

As of June 30, 2026, the School District had bank balances of $6,406,899 of which $500,000 was fully insured by the FDIC. $5,906,899 was exposed to credit risk but fully collateralized by securities held by an agent of the pledging financial institution in the School District's name.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents of $4,098,546 in the General Fund for the year ended June 30, 2026 represents the following:

Capital Reserve	$ 1,953,887
Liability Reserve	248,386
Unemployment Insurance Reserve	259,040
Retirement Contribution Reserve	1,032,799
Employee Benefit Accrued Liability	604,434
Total	$ 4,098,546

Restricted cash and cash equivalents of $630,076 in the Capital Fund represents funds restricted for capital projects approved by the voters. Restricted cash and cash equivalents of $72,530 in the Miscellaneous Special Revenue Fund represents various expendable trust funds held by the District for scholarships and awards. Restricted cash and cash equivalents of $365,954 in the Debt Service Fund represents funds restricted for debt service.

5. PARTICIPATION IN BOCES

During the year, the School District was billed $1,812,531 for BOCES' administrative and program costs. Financial statements for the BOCES are available from the BOCES' administrative office at 6678 County Road 32, Norwich, New York 13815.

During the year ended June 30, 2026, the School District issued no debt on behalf of BOCES. However, during 2008, the BOCES issued $47,755,000 in Revenue Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a payment included in the administrative budget of the BOCES over the term of the bonds. During 2026, $3,170,000 in principal payments were made and the outstanding balance at June 30, 2026, was $6,820,000. The Bonds were refinanced through DASNY in June 2015, to reduce the debt service expenditures over the remaining life of the bonds.

6. CAPITAL ASSETS & RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2026, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 80,000	$	$	$ 80,000
Construction in Progress	4,004,210		4,004,210	
Total	4,084,210		4,004,210	80,000
Capital Assets Being Depreciated				
Buildings and Improvements	24,048,341	4,965,153		29,013,494
Furniture, Equipment and Vehicles	3,083,250	587,997	317,374	3,353,873
Total	27,131,591	5,553,150	317,374	32,367,367
Accumulated Depreciation				
Buildings and Improvements	12,391,455	750,168		13,141,623
Furniture, Equipment and Vehicles	1,810,433	260,005	314,601	1,755,837
Total	14,201,888	1,010,173	314,601	14,897,460
Net Capital Assets Being Depreciated	12,929,703	4,542,977	2,773	17,469,907
Net Capital Assets	$ 17,013,913	$ 4,542,977	$ 4,006,983	$ 17,549,907

Depreciation expense of $1,010,173 is charged as follows:

Function/Program	
General Support	$ 319,416
Instruction	535,964
Pupil Transportation	125,925
School Lunch	28,868
Total Depreciation	$ 1,010,173

Right to use leased asset activity for the year ended June 30, 2026, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	$ 411,292	$	$ 278,100	$ 133,192
Accumulated Amortization				
Leased Equipment	295,793	39,132	278,100	56,825
Net Right to Use Leased Assets	$ 115,499	$ (39,132)	$	$ 76,367

Amortization expense of $39,132 is charged solely to instruction.

7. SHORT-TERM DEBT

Changes in the School District's short-term debt for the year ended June 30, 2026, are as follows:

	Beginning Balance	Refinanced	Issued	Paid	Ending Balance
Bond Anticipation Note	$ 2,500,000	$ (6,555,000)	$ 4,200,000	$ (145,000)	$

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

Interest Paid	$ 256,967
Less: Interest Accrued in the Prior Year	(92,622)
Total Interest Expense on Short-Term Debt	$ 164,345

8. NON-CURRENT LIABILITIES

Noncurrent liability balances and activity are as follows for the year ended June 30, 2026:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds Payable	$ 1,505,000	$ 3,810,000	$ 160,000	$ 5,155,000	$ 305,000
Bond Premium	212,222	381,478	26,528	567,172	53,776
Other Liabilities					
Lease Liability	111,699		37,233	74,466	37,233
Other Postemployment Benefits	3,732,003	639,605	102,130	4,269,478	
Compensated Absences	702,579		163,021	539,558	79,841
Total Noncurrent Liabilities	$ 6,263,503	$ 4,831,083	$ 488,912	$ 10,605,674	$ 475,850

The General Fund has typically been used to liquidate noncurrent liabilities through budget appropriations.

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Long-Term Debt Maturity Schedule

The following is a statement of serial bonds with corresponding maturity schedules:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Ending Balance
General Fund					
DASNY Revenue Bond	06/19	$ 2,280,000	06/33	3.00-5.00	$ 1,345,000
DASNY Revenue Bond	06/26	$ 3,810,000	06/40	5.00	3,810,000
Total					$ 5,155,000

Principal and interest payments due on serial bonds are as follows:

For the Year Ending June 30,	Serial Bonds Principal	Interest	Total
2027	$ 305,000	$ 305,113	$ 610,113
2028	380,000	234,300	614,300
2029	405,000	215,300	620,300
2030	425,000	195,050	620,050
2031	440,000	173,800	613,800
2032-2036	1,815,000	588,800	2,403,800
2037-2040	1,385,000	177,250	1,562,250
Total	$ 5,155,000	$ 1,889,613	$ 7,044,613

Interest on Long Term Debt

Interest paid on long-term debt for the year was $70,262.

Interest expense on the District-wide financial statements is calculated as follows:

Interest Paid	$ 70,262
Less: Interest Accrued in the Prior Year	(2,388)
Amortization of Bond Premium	(26,528)
Plus: Interest Accrued in the Current Year	14,994
Amortization of Bond Costs	6,171
Total Interest Expense on Long-Term Debt	$ 62,511

Deferred Charges From Issuing New Debt

The cost of issuing debt has been capitalized and recorded as a deferred outflow on the District-wide financial statements. The costs are being amortized using the straight-line method over the remaining time to maturity of the bonds. The current year amortization is $6,171 and is included as an addition to interest expense on the statement of activities.

Debt Limit

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

The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority. The District is in compliance with its constitutional debt limit at year end.

Serial Bond Premium

In 2019 and 2026, the District issued serial bonds for $2,280,000 and $3,810,000, respectively. The serial bonds were issued at premiums of $371,390 and $381,478, respectively. While these amounts were recognized as revenue in the Debt Service Fund, they are considered unearned revenue on the District-wide financial statements. The premiums are being amortized until the bonds mature between 2033 and 2040. Interest revenue amortized for the year ending June 30, 2026, was $26,528, and the remaining unamortized balance is reported as a deferred bond premium in the amount of $567,172.

Special Provisions Affecting Remedies Upon Default

In the event of a default in the payment of principal of and/or interest of the Bonds, the state Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Lease Liability

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates ranging from March 16, 2023 to March 16, 2025 and are for a term of 3-5 years. Annual lease payments for these agreements range from $6,000 to $31,233. The lease liability is measured at a discount rate of 7% which is stated in the lease agreements. As a result of these leases, the District has recorded a right to use asset with a net book value of $74,466 at June 30, 2026. The District has made some lump sum payments at the beginning of certain lease agreements and thus there are right to use assets with a net book value of $1,901 at June 30, 2026 with no corresponding lease liability.

For the Year Ending	Leases		
June 30,	Principal	Interest	Total
2027	$ 37,233	$ 3,213	$ 40,446
2028	37,233	3,213	40,446
Total	$ 74,466	$ 6,426	$ 80,892

Compensated Absences

Compensated absences represent vacation and sick time that has been earned by the School District employees and is more likely than not to be used or paid as of June 30, 2026.

9. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 and prior to April 1, 2012 are required to contribute 3% of their annual salary for their entire working career. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Subsequent to the fiscal year ended March 31, 2026, the approved fiscal year 2027 New York State Budget includes new laws which reduce contribution rates for Tier 6 members. Effective October 1, 2026, the new contribution rate varies from 3% to 5.75% depending on salary. 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 Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2026, were paid. The required contributions for the current year and two preceding years were:

	Amount
2024	$ 170,568
2025	$ 220,740
2026	$ 236,476

(c) 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 $203,555 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 an actuarial valuation as of that date. 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 .003608 percent, which was a decrease of .000461 percent from its proportionate share measured at June 30, 2025.

For the year ended June 30, 2026, the School District recognized pension expense of $239,198. At June 30, 2026, the School District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 116,486	$
Change of assumptions	34,941	
Net difference between projected and actual earnings on pension plan investments		364,985
Changes in proportion and differences between contributions and proportionate share of contributions	72,349	51,230
Contributions subsequent to the measurement date	59,120	
Total	$ 282,896	$ 416,215

Amounts reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2027	$ 94,426
2028	(125,802)
2029	(76,456)
2030	(84,607)

(d) 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.

Significant actuarial assumptions used in the April 1, 2025 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	5.20%
Decrement tables	April 1, 2020 - March 31, 2025 System's Experience
Inflation rate	2.90%

Annuitant mortality rates are based on April 1, 2020 - March 31, 2025 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 - March 31, 2025.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2026 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25.00%	3.29%
International equity	14.00%	5.85%
Private equity	15.00%	7.00%
Real estate	12.00%	5.20%
Opportunistic/ARS portfolio	3.00%	5.13%
Credit	4.00%	5.10%
Real assets	4.00%	5.54%
Fixed income	22.00%	1.75%
Cash	1.00%	0.25%
	100.00%	

** Real rates of return are net of the long-term inflation assumption of 2.50%*

(e) *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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Proportionate share of the net pension liability (assets)	$ 1,390,222	$ 203,555	$ (788,552)

(g) ***Pension Plan Fiduciary Net Position***

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) ***Payables to the Pension Plan***

The School District has recorded an amount due to ERS in amount of $59,120 in the General Fund at June 30, 2026. This amount represents the three months of the School District's fiscal year that will be included in the ERS 2026-2027 billing cycle and has been accrued as an expenditure in the current year.

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits. The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of their salary to the System. Tier 5 members are required by law to contribute 3.5% of their salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of their salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity. The required employer contributions for the current year and two preceding years were:

	Amount	Rate
2024	303,194	9.76%
2025	251,160	10.11%
2026	248,130	9.59%

(c) ***Pension Assets, 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 $871,948 for its proportionate share of the net pension asset. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2024. 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, 2025, the School District's proportionate share was .014726 percent, which was an increase of .000897 percent from its proportionate share measured as of June 30, 2024.

For the year ended June 30, 2026, the School District recognized pension credit of $(42,033). 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	$ 457,095	$
Change of assumptions	345,177	9,401
Net difference between projected and actual earnings on pensions plan investments		680,989
Changes in proportion and differences between contributions and proportionate share of contributions	60,814	53,106
Contributions subsequent to the measurement date	248,130	
Total	$ 1,111,216	$ 743,496

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension asset. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ 439,831
2027	(189,700)
2028	(199,096)
2029	(31,919)
2030	82,372
Thereafter	18,102

(d) Actuarial Assumptions

The total pension liability at June 30, 2025 measurement date was determined by using an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025. The actuarial valuation used the following actuarial assumptions.

Investment Rate of Return	6.95 % compounded annually, net of pension plan investment expense, including inflation.
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs	1.4% compounded annually.
Inflation rate	2.5% 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 MP 2021, applied on a generational basis for June 30, 2025.

The demographic actuarial assumptions and the salary scale are based on 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.

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.

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 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.7%
International equity	15.0%	7.4%
Global equity	4.0%	7.0%
Real estate equity	11.0%	6.5%
Private equity	9.0%	9.8%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.4%
Private debt	2.0%	6.1%
Real estate debt	6.0%	3.8%
High-yield bonds	1.0%	4.7%
Cash equivalents	1.0%	0.6%
	100.0%	

** Real rates of return are net of pension plan investment expenses and long-term information expectations.*

(e) Discount Rate

The discount rate used to measure the pension liability (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 school 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 liability.

(f) 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 (asset) calculated using the discount rate of 6.95 percent, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate share of the net pension liability (assets)	$ 1,675,459	$ (871,948)	$ (3,015,458)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of $284,907 (including employees' share) in the General Fund at June 30, 2026. This amount represents contribution for the 2025-2026 fiscal year that will be made in 2026-2027 and has been accrued as an expenditure in the current year.

10. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District administers the payment of Postretirement Healthcare Benefits Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements.

(b) Benefits Provided

Superintendent of Schools

Per an agreement between Board of Education and the Superintendent of Schools. The Superintendent must retire under the NYSTRS, have at least 10 years of service with the District, and retire from the District not before the age of 55. The District pays 50% of single coverage or 35% of family coverage, and decreases 10% for each additional year past 10 years, up to 15 years. Surviving spouses are eligible to continue coverage under the plan by paying 35% of premiums for coverage.

Group 1 Employees (Supervisors, Administrators, and Exempt)

Per an agreement between the District and the Administrators' Association. An employee must be eligible to retire under either NYSTRS or NYSERS and have at least 10 years of service with the District and retire from the District not before the age of 55. The District pays 60% of single coverage premiums and 45% of family coverage. Surviving spouses are eligible to continue coverage under the plan by paying 100% of premiums for coverage.

Group 2 Employees (CSEA)

Per an agreement between the District and the various bargaining units. Employee must be eligible to retire from the district with at least 15 years of service and not before the age of 55. The District pays 50% of single coverage and 35% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage.

Teachers

Per an agreement between the District and the Teachers' Association. Employee must be eligible to retire from the district with at least 15 years of service and not before the age of 55. The District pays 60% of single coverage and 45% of family coverage premiums. Surviving spouses are eligible to remain in the plan by paying 100% of the premiums for coverage.

(c) Schedule of Required Contributions

The OPEB plan is currently unfunded. No assets have been set aside to fund the liabilities for this plan.

(d) Employees covered by benefit terms

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

	Total
Active not eligible to retire	58
Retired and surviving spouses currently receiving benefits	38
Total	96

(e) Actuarial Methods and Assumptions

Actuarial Methods

The actuarial funding method used is the Entry Age Normal Cost Method. All actuarial methods and assumptions are chosen to be consistent with the requirements of GASB 75 and Actuarial Standards of Practice.

The Normal Cost is determined by calculating the present value of future benefits for present Active Members. This cost is then spread as a level percentage of earnings from entry age to termination as an Active Member. If Normal Costs had been paid at this level for all prior years, a fund would have accumulated. Because this fund represents the portion of benefits that would have been funded to date, it is termed the Accrued Liability. In fact, it is calculated by adding the present value of benefits for Retired Members and Terminated Vested Members to the present value of benefits for Active Members and subtracting the present value of future Normal Cost contributions.

The Normal Cost and Accrued Liability are derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the calculation must be regarded as estimates of the true costs of the Plan.

The July 1, 2024 Actuarial Valuation directly calculated the July 1, 2024 Total OPEB Liability (TOL). The July 1, 2024 TOL was increased by service cost, assumptions changes or inputs, and interest and decreased by demographic gains or losses and benefit payments to estimate the TOL as of June 30, 2026. The TOL as of June 30, 2026 was also adjusted to reflect any material plan changes after the valuation, if applicable.

Actuarial Assumptions

Discount Rate

4.67% (based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date).

Inflation Rate

2.40%

Salary Scale

2.40%

Mortality

PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

Future Retiree Coverage

100% of future eligible retirees are assumed to elect coverage at retirement. 0% of active members currently taking a buyout or waiving coverage are assumed to elect coverage at retirement.

Future Dependent Coverage

50% of current active members are assumed to elect dependent coverage at retirement. All female spouses are assumed to be three years younger than males. For current retirees, actual census information was used.

No surviving spouses are assumed to continue coverage after the death of the retiree.

Future Post-65 Coverage

100% of future retirees and spouses are assumed to continue coverage past age 65.

Termination Rates

These rates represent the percentage of employees who will terminate employment at the given age each year, for reasons other than death, or retirement:

Teaching Positions (All Tiers)

	Ultimate Rates	
Service	Male	Female
0	0.28167	0.02766
10	0.01759	0.02560
20	0.00500	0.00425
30	0.00264	0.00122

Non-Teaching Positions

	Ultimate Rates	
Age	Tiers 1-4	Tiers 5-6
35	0.02031	0.01729
40	0.01942	0.01653
45	0.01878	0.01599
50	0.01418	0.01206

(f) Changes in the Total OPEB Liability

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

Beginning at June 30, 2025:	$ 3,732,003
Changes for the year:	
Service Cost	155,445
Interest	199,525
Effect of Assumption Changes or Inputs	284,635
Benefit Payments	(102,130)
Net Changes:	537,475
Balance at June 30, 2026	$ 4,269,478

(g) Sensitivity of the total OPEB liability to changes in the discount rate

The discount rate assumption can have a profound impact on total liabilities. The following exhibit demonstrates the effect a 1 percent change in the discount rate assumption would have on liabilities.

	1% Decrease (3.67%)	Current Assumption (4.67%)	1% Increase (5.67%)
Total OPEB liability	$ 4,890,667	$ 4,269,478	$ 3,754,497

(h) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

Healthcare costs can be subject to considerable volatility over time. The following exhibit demonstrates the effect on liabilities of a 1 percent change in the healthcare cost trend rates.

	1% Decrease (6.3%-2.8%)	Current Assumption (7.3%-3.8%)	1% Increase (8.3%-4.8%)
Total OPEB liability	$ 3,594,651	$ 4,269,478	$ 5,124,548

(i) OPEB Expense

The OPEB Expense reflects the costs to the OPEB plan incurred during the year, including the service cost, interest cost, immediate recognition of the impact of all plan provision changes, and the amortization of gains and losses due to experience or changes in the assumptions.

Calculation of the OPEB Expense (Gain)	
Service cost	$ 155,445
Interest cost	199,525
Recognition of assumption changes or inputs	284,635
Total OPEB Expense (Gain)	$ 639,605

(j) Deferred Outflows and Inflows of Resources Related to OPEB

The following deferrals of outflows were reported during the fiscal year.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (2,668,358)	$ 254
Changes of assumptions	(1,142,025)	470,383
Total	$ (3,810,383)	$ 470,637

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

Year ended June 30:	Amount
2027	$ (1,088,151)
2028	(1,202,191)
2029	(564,775)
2030	(222,359)
2031	(190,466)
Thereafter	(71,804)

11. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 250,770	$ 19,424	$ 71,447	$ 522,952
Special Aid	12,948	193,270		
Capital Fund		41,790	671,505	
Non-Major Funds				
School Lunch	6,094	40,801	80,000	20,000
Misc. Special Revenue	65	699		
Debt Service	26,143			280,000
Fiduciary Funds		36		
Total	$ 296,020	$ 296,020	$ 822,952	$ 822,952

- The District transferred a total of $462,952 from the General Fund to the Capital Fund as a funding source for an approved local capital outlay project and bus purchases.
- The District transferred $60,000 from the General Fund to the School Lunch Fund as budgeted for in the General Fund.

- The District transferred $36,447 from the Capital Fund to the General Fund from completed capital projects with an excess fund balance that had been locally funded.
- The District transferred $245,000 from the Debt Service Fund to the Capital Fund from bond premium revenue related to the June 2026 permanent financing on the $5.2M capital project.
- The District transferred $35,000 from the Debt Service Fund to the General Fund as budgeted for to use to assist with making current year debt service payments.
- All interfund payables are expected to be repaid within one year.
- Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

12. FUND BALANCE

The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

			Non-Major Funds			
				Miscellaneous		
	General	Capital	School Lunch	Special Revenue	Debt Service	Total
Nonspendable	$	$	$ 16,285	$	$	$ 16,285
Restricted						
Capital Reserve	1,953,887					1,953,887
Liability Reserve	248,386					248,386
Unemployment Insurance Reserve	259,040					259,040
Retirement Contribution Reserve	1,032,799					1,032,799
Employee Benefit Accrued Liability Reserve	604,434					604,434
Capital Project Fund		588,286				588,286
Miscellaneous Special Revenue Fund				71,896		71,896
Debt Service Fund					392,097	392,097
Total Restricted	4,098,546	588,286		71,896	392,097	5,150,825
Assigned						
Encumbrances	10,320					10,320
Appropriated for Subsequent Year's Budget	547,285					547,285
School Lunch Fund			18,136			18,136
Total Assigned	557,605		18,136			575,741
Unassigned	743,910					743,910
Total Fund Balance	$ 5,400,061	$ 588,286	$ 34,421	$ 71,896	$ 392,097	$ 6,486,761

The following is a summary of the change in general fund restricted funds during the year ended June 30, 2026:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Reserve	$ 1,513,845	$ 802,994	$ 362,952	$ 1,953,887
Liability Reserve	239,233	9,153		248,386
Unemployment Insurance Reserve	249,494	9,546		259,040
Retirement Contribution Reserve	898,816	333,983	200,000	1,032,799
Employee Benefit Accrued Liability	698,730	23,361	117,657	604,434
Total	$ 3,600,118	$ 1,179,037	$ 680,609	$ 4,098,546

13. RISK MANAGEMENT

General Information

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.

Risk Financing and Related Insurance

(a) Worker's Compensation Insurance Plan

Gilbertsville-Mount Upton Central School District participates with 27 other school districts in the Madison-Oneida-Herkimer Worker's Compensation Plan Consortium for its workers' compensation insurance coverage. Entities joining the plan must remain members for a minimum of one year; a member may withdraw from the plan after that time by submitting a notice of withdrawal 30 days prior to the plan's year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for Gilbertsville-Mount Upton Central School District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the year ended June 30, 2026, Gilbertsville - Mount Upton Central School District incurred premiums or contribution expenditures of $37,411.

Certain required disclosures are not presented because information on an individual School District is unavailable from the Plan. Financial statements for the Madison-Oneida-Herkimer Worker's Compensation Plan Consortium are available from its office located at 4937 Spring Road, Verona, New York 13478.

(b) Health Insurance Plan

The School District participates in the Catskill Area Schools Employee Benefit Plan (CASEBP) consisting of 19 other governmental entities for their health coverage. Entities joining the plans must remain members for a minimum of one year; a member may withdraw from the plans after that time by submitting a notice of withdrawal 30 days prior to the plans' year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plans' assets were to be exhausted, members would be responsible for the plan's liabilities. The plans use a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plans establish a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The Consortiums are shared-risk public entity risk pools whereby each entity pays annual premiums as follows: Health Consortium - Monthly premium from individual members based on the type of coverage selected. Premiums paid to the Health Consortium totaled $1,408,403 for the year ended June 30, 2026. Paid claims are accounted for in the aggregate with individual entity activity not being tracked separately.

Certain required disclosures are not presented because information on an individual School District is unavailable from the Consortium. Financial statements for the Consortium are available from its office located at 2020 Jump Brook Road, Grand Gorge, New York 12434.

(c) Other Risks

The School District continues to maintain commercial insurance policies for all other risks of loss such as general liability.

14. CONTINGENCIES AND COMMITMENTS

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2026, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	General Fund
Encumbrances	
General Support	$ 6,216
Instruction	4,104
Total Encumbrances	$ 10,320

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2026

	Original Budget	Final Budget	Variance between Original Budget and Final Budget		Actual	Final Budget Variance With Actual	
Revenues							
Local Sources							
Real Property Taxes	$ 2,552,075	$ 2,552,075	$		$ 2,553,888	$ 1,813	
Other Real Property Tax Items	298,500	298,500			295,345	(3,155)	
Use of Money and Property	99,000	99,000			205,016	106,016	**f.**
Sale of Property and Compensation for Loss	12,500	12,500			41,000	28,500	
Miscellaneous	133,500	133,500			191,396	57,896	**g.**
State Aid	7,779,489	7,779,489			7,813,076	33,587	
Federal Aid	17,500	17,500			17,637	137	
Total Revenues	10,892,564	10,892,564			11,117,358	224,794	
Other Financing Sources							
Transfers from Other Funds	35,000	35,000			71,447	36,447	
Appropriated Reserve		480,609	480,609	**a.**		(480,609)	
Appropriated Fund Balance	668,150	668,150				(668,150)	
Total Revenues and Other Financing Sources	$ 11,595,714	$ 12,076,323	$ 480,609		11,188,805	$ (887,518)	

	Original Budget	Final Budget	Variance between Original Budget and Final Budget		Actual	Final Budget Variance With Actual	
Expenditures							
General Support							
Board of Education	$ 14,300	$ 15,346	$ 1,046		13,542	$ 1,804	
Central Administration	233,390	304,357	70,967	**b.**	301,125	3,232	
Finance	283,381	327,758	44,377	**c.**	316,217	11,541	
Staff	216,204	224,779	8,575		201,993	22,786	
Central Services	991,218	947,869	(43,349)		776,813	171,056	**h.**
Special Items	298,975	303,085	4,110		299,836	3,249	
Total General Support	2,037,468	2,123,194	85,726		1,909,526	213,668	
Instruction							
Instruction, Administration, and Improvement	232,783	225,751	(7,032)		201,309	24,442	
Teaching - Regular School	2,034,194	1,980,632	(53,562)		1,859,472	121,160	
Programs for Children With Special Needs	2,055,708	2,050,799	(4,909)		1,702,248	348,551	**i.**
Occupational Education	315,862	337,762	21,900		337,729	33	
Teaching - Special School	7,585	15,681	8,096		15,680	1	
Instructional Media	319,653	327,065	7,412		315,901	11,164	
Pupil Services	363,024	377,792	14,768		301,073	76,719	**j.**
Total Instruction	5,328,809	5,315,482	(13,327)		4,733,412	582,070	
Pupil Transportation	824,065	868,503	44,438		722,975	145,528	**k.**
Community Services	1,000	1,000			500	500	
Employee Benefits	2,620,322	2,547,819	(72,503)		2,278,778	269,041	**l.**
Debt Service - Principal	280,000	197,233	(82,767)	**d.**	197,233		
Debt Service - Interest	354,050	335,140	(18,910)		234,607	100,533	
Total Expenditures	11,445,714	11,388,371	(57,343)		10,077,031	1,311,340	
Other Financing Uses							
BANs Redeemed from Appropriation		145,000	145,000	**d.**	145,000		
Transfers to Other Funds	150,000	542,952	392,952	**e.**	522,952	20,000	
Total Expenditures and Other Financing Uses	$ 11,595,714	$ 12,076,323	$ 480,609		10,744,983	$ 1,331,340	
Net Change in Fund Balance					443,822		
Fund Balance - Beginning of Year					4,956,239		
Fund Balance - End of Year					$ 5,400,061		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is 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.

Original Budget to Final Budget Variances

a. Revenues received were higher than anticipated and the use of appropriated reserves and fund balance was not needed.

b. There was a budgetary increase for the vacation and sick time payout to a 403(b) for the retiring superintendent, per her contract.

c. There was a budgetary increase for a retirement incentive for the retiring of the District Treasurer and an approved increase to a BOCES Service.

d. The District paid off a BAN from the $5.2M Capital Project and rolled over into bonds which included a principal payment redeemed from appropriations.

e. The General Fund had to subsidize the School Lunch Fund an additional $30,000 than was originally budgeted for and the remainder was a transfer to the Capital Fund for the purchase of buses.

Final Budget to Actual Variances

f. Interest Earnings on General Fund Money Market and Reserves were $106,000 more than budgeted, due to high then anticipated interest rates.

g. Received a higher amount of BOCES Refund of Prior Year Expense (Surplus) than anticipated. Also, a prior year payment for SUMMER 4408.

h. Several budgeted expense lines in the A1620 and A1621 codes were not expensed. For example, salaries were down due to a resignation and a part-time cleaner; contractual, utilities and incidentals were down.

i. Several Out-of-District placements were brought back to the District.

j. The District had a Guidance Counselor resign mid-year; several of the budgeted coaching stipends were not used because of merged sports; and only half of the athletic supplies were purchased.

k. Actual line item expenses were less than budgeted amounts such as salaries (due to decrease in runs with special ed. placement-one-on-bus monitor; contractual; bus parts and body repairs; diesel and gasoline.

l. Both Teachers and Employee Retirement were less than anticipated due to the decrease in teaching and non-instructional salaries; and health costs were down due to retirees enrolling in the Medicare Advantage Plan vs the PPOA Plan. In addition, partial benefits were paid from Federal Grants (Title I and UPK) for all ERS-TRS-FICA-HEALTH INSURANCE. We also had several resignations mid-year.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
For the Year Ended June 30, 2026

ERS Pension Plan
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 236,476	$ 220,740	$ 170,568	$ 134,483	$ 171,001	$ 164,171	$ 154,123	$ 154,413	$ 147,368	$ 138,471
Contributions in Relation to the Contractually Required Contribution	236,476	220,740	170,568	134,483	171,001	164,171	154,123	154,413	147,368	138,471
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-ERS Employee Payroll	$ 1,399,647	$ 1,461,693	$ 1,334,449	$ 1,188,107	$ 1,053,395	$ 1,134,268	$ 1,061,231	$ 1,048,160	$ 987,643	$ 916,269
Contributions as a Percentage of Covered-Employee Payroll	16.90%	15.10%	12.78%	11.32%	16.23%	14.47%	14.52%	14.73%	14.92%	15.11%

TRS Pension Plan
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 248,130	$ 251,160	$ 303,194	$ 289,036	$ 284,847	$ 228,548	$ 238,871	$ 287,885	$ 266,705	$ 339,474
Contributions in Relation to the Contractually Required Contribution	248,130	251,160	303,194	289,036	284,847	228,548	238,871	287,885	266,705	339,474
Contribution Deficiency (Excess)	$	$	$	$	$	$	$	$	$	$
School District's Covered-TRS Employee Payroll	$ 2,587,383	$ 2,484,273	$ 3,106,496	$ 2,808,902	$ 2,906,602	$ 2,398,195	$ 2,696,061	$ 2,710,782	$ 2,721,480	$ 2,896,536
Contributions as a Percentage of Covered-Employee Payroll	9.59%	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%

See Independent Auditor's Report.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET

For the Year Ended June 30, 2026

ERS Pension Plan
Last 10 Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018
District's Proportion of the Net Pension Asset/Liability	0.003608	0.004069	0.0042156	0.0038603	0.0030866	0.0032194	0.0031539	0.0032883	0.0031364
District's Proportionate Share of the Net Pension Asset (Liability)	$ (203,555)	$ (697,667)	$ (620,710)	$ (827,796)	$ 252,316	$ (3,206)	$ (835,177)	$ (232,987)	$ (101,226)
District's Covered-Employee Payroll	$ 1,399,647	$ 1,461,693	$ 1,334,449	$ 1,188,107	$ 1,053,395	$ 1,134,268	$ 1,061,231	$ 1,048,160	$ 987,643
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered-Employee Payroll	(14.54%)	(47.73%)	(46.51%)	(69.67%)	23.95%	(0.28%)	(78.70%)	(22.23%)	(10.25%)
Plan Fiduciary Net Position as a Percentage of Total Pension Asset/Liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%

TRS Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's Proportion of the Net Pension Asset/Liability	0.014726	0.015623	0.015609	0.016003	0.013838	0.015351	0.015466	0.016082	0.016571
District's Proportionate Share of the Net Pension Asset (Liability)	$ 871,948	$ 466,130	$ (178,508)	$ (307,084)	$ 2,398,078	$ (424,184)	$ 401,817	$ 290,810	$ 125,956
District's Covered-Employee Payroll	$ 2,484,273	$ 3,106,496	$ 2,808,902	$ 2,906,602	$ 2,398,195	$ 2,696,061	$ 2,710,782	$ 2,721,480	$ 2,896,536
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered-Employee Payroll	35.10%	15.01%	(6.36%)	(10.57%)	100.00%	(15.73%)	14.82%	10.69%	4.35%
Plan Fiduciary Net Position as a Percentage of Total Pension Asset/Liability	104.00%	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

SCHEDULES OF CHANGES IN THE DISTRICT'S

TOTAL OPEB LIABILITY AND RELATED RATIOS

For the Year Ended June 30, 2026

Measurement Date	June 30, 2026	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	2026*	**2025***	**2024***	**2023***	**2022***	**2021***	**2020***	**2019***	**2018***
Service Cost	$ 155,445	$ 205,768	$ 232,900	$ 228,852	$ 374,256	$ 345,317	$ 499,787	$ 371,191	$ 382,618
Interest	199,525	182,430	164,722	182,631	133,306	275,006	349,463	248,095	235,443
Effect of Plan Changes			49,613					478,876	
Effect of Demographic Gains or Losses		(365,339)		(744,104)		(7,159,896)		(765,493)	4,034
Effect of Assumption Changes or Inputs	284,635	(681,283)	(184,762)	(180,827)	(1,227,854)	368,238	1,942,606	1,476,487	
Benefit Payments	(102,130)	(90,681)	(121,696)	(151,566)	(142,665)	(116,840)	(238,423)	(207,932)	(170,220)
Net Change in Total OPEB Liability	537,475	(749,105)	140,777	(665,014)	(862,957)	(6,288,175)	2,553,433	1,601,224	451,875
Total OPEB Liability - Beginning of Year	3,732,003	4,481,108	4,340,331	5,005,345	5,868,302	12,156,477	9,603,044	8,001,820	7,549,945
Total OPEB Liability - End of Year	$ 4,269,478	$ 3,732,003	$ 4,481,108	$ 4,340,331	$ 5,005,345	$ 5,868,302	$ 12,156,477	$ 9,603,044	$ 8,001,820
Covered Employee Payroll	$ 2,998,638	$ 2,998,638	$ 2,933,924	$ 2,933,924	$ 2,944,774	$ 2,944,774	$ 3,322,121	$ 3,322,121	$ 4,066,984
Total OPEB Liability as a Percentage of Covered Payroll	142.38%	124.46%	152.73%	147.94%	169.97%	199.28%	365.93%	289.06%	196.75%

*10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

Changes of Assumptions: Discount rate decreased from 5.20% to 4.67% based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Actuarial Assumptions: The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 10 to the financial statements.
Plan Assets: No assets are accumulated in a trust that meets all of the following criteria of GASB No. 75, paragraph 4, to pay benefits.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2026

Change from Adopted Budget to Revised Budget

Adopted Budget	$ 11,560,000
Add: Prior Year's Encumbrances	35,714
Original Budget	11,595,714
Add: Appropriated from EBALR Reserve	117,657
Add: Voter Approved Bus Purchases	362,952
Original and Final Budget	$ 12,076,323

Section 1318 of Real Property Tax Law Limit Calculation

2026-27 Voter-Approved Expenditure Budget		$ 11,760,000
Maximum Allowed (4% of 2026-27 Budget)		$ 470,400
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :		
Unrestricted fund balance:		
Assigned fund balance	$ 557,605	
Unassigned fund balance	743,910	
Total unrestricted fund balance	1,301,515	
Less:		
Appropriated fund balance	547,285	
Encumbrances included in committed and assigned fund balance	10,320	
Total adjustments	557,605	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 743,910
Actual percentage		6.33%

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2026

			Expenditures				Methods of Financing					
	Original Authorization	Revised Authorization	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Federal and State Aid	Local Sources	Transfers	Total	Fund Balance June 30, 2026
PROJECT TITLE												
2022 Buses and Vehicles	$ 266,200	$ 266,200	$ 303,749	$	$ 303,749	$ (37,549)	$	$	$ 313,450	$ (9,701)	$ 303,749	$
$5.2M Capital Project	5,200,000	5,200,000	3,911,884	1,079,808	4,991,692	208,308	4,069,658		1,145,000		5,214,658	222,966
2023 Buses and Vehicles	325,200	325,200	325,168		325,168	32			325,200	(32)	325,168	
2023 Local Project	100,000	100,000	84,591		84,591	15,409			100,000	(15,409)	84,591	
2024 Buses and Vehicles	367,096	367,096	363,465		363,465	3,631			367,096	(3,631)	363,465	
2025 Local Project	100,000	100,000	92,326		92,326	7,674			100,000	(7,674)	92,326	
2025 Buses and Vehicles	491,000	491,000		488,632	488,632	2,368			491,000		491,000	2,368
2025 Installment Purchase Agreement	93,700	93,700	93,700		93,700				93,700		93,700	
2026 Local Project	100,000	100,000		100,000	100,000				100,000		100,000	
2026 Buses and Vehicles	362,952	362,952				362,952			362,952		362,952	362,952
Totals	$ 7,406,148	$ 7,406,148	$ 5,174,883	$ 1,668,440	$ 6,843,323	$ 562,825	$ 4,069,658	$	$ 3,398,398	$ (36,447)	$ 7,431,609	$ 588,286

See Independent Auditor's Report.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS

For the Year Ended June 30, 2026

Capital Assets, Net	$	17,549,907
Add:		
Unamortized Deferred Charge on Bonds		179,671
Right to Use Leased Assets, Net of Amortization		76,367
Capital Fund Unspent Proceeds		588,286
Total Additions		844,324
Deduct:		
Lease Liability		74,466
Remaining Premium on Bonds Payable		567,172
Short-Term Portion of Bonds Payable		305,000
Long-Term Portion Bonds Payable		4,850,000
Total Deductions		5,796,638
Net Investment in Capital Assets	$	12,597,593

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2026

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Funds
Assets				
Cash and Cash Equivalents	$ 22,054	$	$	$ 22,054
Restricted Cash and Cash Equivalents		72,530	365,954	438,484
Receivables				
Due From Other Governments	30,963			30,963
Due From Other Funds	6,094	65	26,143	32,302
Inventory	16,285			16,285
Total Assets	$ 75,396	$ 72,595	$ 392,097	$ 540,088
Liabilities				
Payables				
Due To				
Other Governments	$ 174	$	$	$ 174
Other Funds	40,801	699		41,500
Total Liabilities	40,975	699		41,674
Fund Balance				
Nonspendable	16,285			16,285
Restricted		71,896	392,097	463,993
Assigned	18,136			18,136
Total Fund Balance	34,421	71,896	392,097	498,414
Total Liabilities and Fund Balance	$ 75,396	$ 72,595	$ 392,097	$ 540,088

See Independent Auditor's Report.

GILBERTSVILLE - MOUNT UPTON CENTRAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Funds
Revenues				
Use of Money and Property	$ 94	$	$ 433,044	$ 433,138
Miscellaneous	9,302	36,803		46,105
State Aid	58,820			58,820
Federal Aid	219,137			219,137
School Lunch Sales	11,741			11,741
Total Revenues	299,094	36,803	433,044	768,941
Expenditures				
General Support		25,205		25,205
Food Service Program	279,202			279,202
Employee Benefits	70,348			70,348
Total Expenditures	349,550	25,205		374,755
Excess (Deficit) Revenues Over Expenditures	(50,456)	11,598	433,044	394,186
Other Financing Sources (Uses)				
Cost of Issuance			(136,478)	(136,478)
Transfers from Other Funds	80,000			80,000
Transfers to Other Funds	(20,000)		(280,000)	(300,000)
Total Other Financing Sources (Uses)	60,000		(416,478)	(356,478)
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources (Uses)	9,544	11,598	16,566	37,708
Fund Balance, Beginning of Year				
Reclassification of Major Funds to Non-Major Funds	24,877	60,298	375,531	460,706
Fund Balance, Beginning of Year (Restated)	24,877	60,298	375,531	460,706
Fund Balance, End of Year	$ 34,421	$ 71,896	$ 392,097	$ 498,414

See Independent Auditor's Report.