

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

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

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



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Changes in Accounting Principle

As noted in Note 8 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Averill Park Central School District's basic financial statements. The supplementary information on pages 66-68 is presented for purposes of additional analysis and is not a required part of the basic financial statements. These supplementary schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Mengel, Metzger, Barw & Co. LLP

Latham, NY
October 14, 2025

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

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

Financial Highlights

Ongoing Financial Conditions:

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

GASB No. 101 Implementation

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

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

Results of Operations:

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

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

Overview of the Financial Statements

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

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

District-wide Statements

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

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

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

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

Fund Financial Statements

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

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

Fund Financial Statements (Continued)

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

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

District-wide Financial Analysis

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

Net Assets

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

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

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

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

District-wide Financial Analysis (Continued)

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

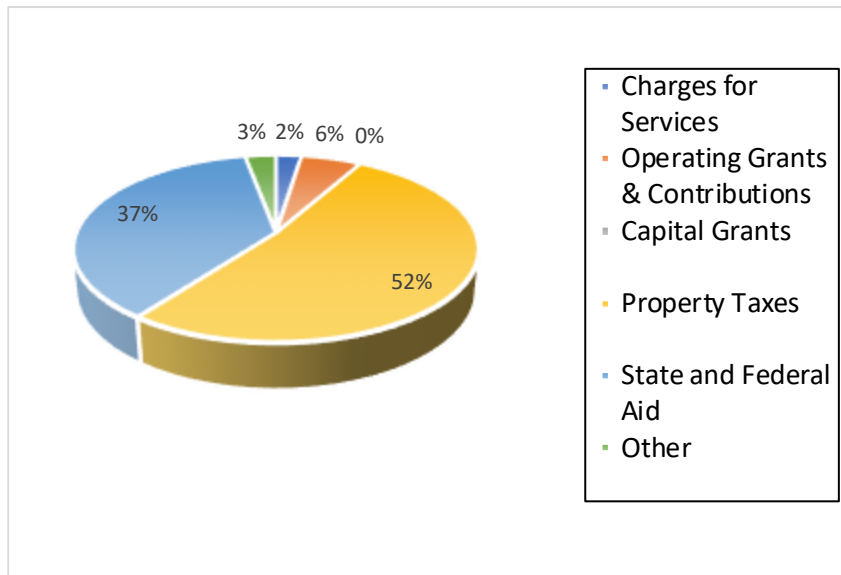
- *Appropriated fund balance* of \$1,631,608 reported in the general fund. The District has designated this portion for the subsequent year to reduce the tax levy.
- *Reserve for encumbrances* of \$336,008 reported in the general fund. Net assets within the General Fund are reserved to pay for commitments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

District-wide Financial Analysis (Continued)

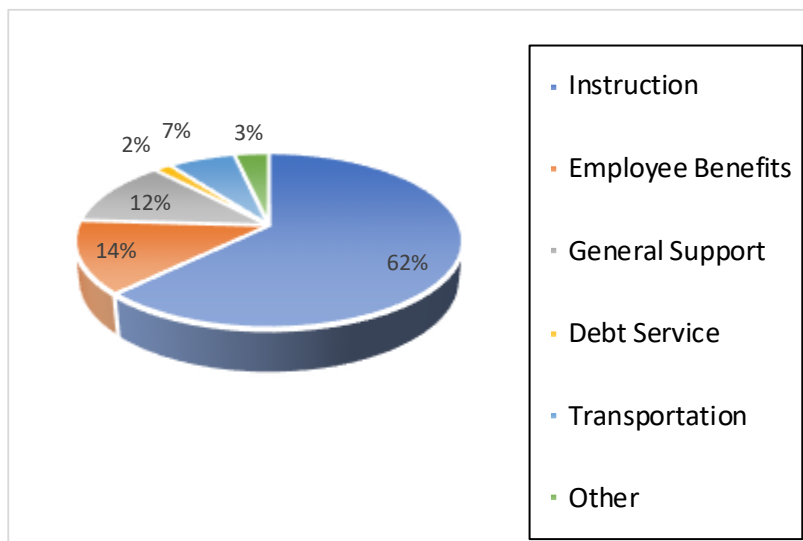
Statement of Activities

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

Sources of Revenues for Fiscal Year 2025



Sources of Expenses for Fiscal Year 2025



Financial Analysis of The District's Funds

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

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

General Fund Budgetary Highlights

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

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

Capital and Lease Asset and Debt Administration

Capital and Lease Assets

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

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

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

Long-Term Debt

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

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

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

Economic Factors and Next Year’s Budgets and Rates

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

Contacting the District's Financial Management

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

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

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

ASSETS

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

DEFERRED OUTFLOWS OF RESOURCES

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

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

DEFERRED INFLOWS OF RESOURCES

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

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

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

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

General Revenues:

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

Changes in Net Position \$ 8,430,229

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

The Extraclassroom Activity Funds

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

B. Joint Venture

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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

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

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

C. Basis of Presentation

I. District-wide statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fund financial statements

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

The District reports the following major governmental funds:

a. Governmental Funds

General Fund

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

Special Aid Fund

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

School Lunch Fund

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

Special Revenue Fund

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

Debt Service Fund

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

Capital Projects Fund

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fund financial statements

b. Fiduciary Funds

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

There are two classes of fiduciary funds:

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

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

D. Basis of Accounting/Measurement Focus

General Information

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

E. Refundable Advances

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

F. Property Taxes

I. Calendar

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

II. Enforcement

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

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

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

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

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

II. Encumbrances

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

III. Budget Basis of Accounting

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

H. Cash and Investments

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

The District investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments are stated at fair value.

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

I. Accounts Receivable

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

J. Inventories and Prepaid Items

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Interfund Transfers

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

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

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

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

L. Equity Classifications

District-wide statements:

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

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

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

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

Fund Statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

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

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

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

Debt Service

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

Employee Benefit Accrued Liability

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

Retirement Contribution

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Property Loss Reserve

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

Workers' Compensation

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

Insurance

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

Capital Reserve

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

Special Revenue Fund

Restricted for scholarships for students that meet donor specified criteria.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Restricted fund equity includes the following:

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Encumbrances

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

Purpose of Encumbrances

General Fund -

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

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

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

Net Position/Fund Equity

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Equity Classifications

Order of Use of Fund Equity:

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

M. Postemployment Benefits

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

N. Deferred Outflows and Inflows of Resources

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Deferred Outflows and Inflows of Resources

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

O. Capital Assets and Lease Assets

Capital assets are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

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

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

Lease Assets

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

P. Short-Term Debt

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Short-Term Debt

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

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

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

Q. Accrued Liabilities and Long-Term Obligations

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension Differences

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

OPEB Differences

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

S. Use of Estimates

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

T. Employee Benefits – Compensated Absences

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

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

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

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

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

U. New Accounting Standards

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. New Accounting Standards

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

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

V. Future Changes in Accounting Standards

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

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

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

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

Investment and Deposit Policy

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

Interest Rate Risk

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

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Credit Risk

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

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

Custodial Credit Risk

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

The District restricts the securities to the following eligible items:

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

Investments

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

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

Level 2: Inputs to the valuation methodology include:

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

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

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

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

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

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

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

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

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

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

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Risks and Uncertainties with Investments

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

Restricted Cash and Investments

Restricted cash and investments consists of the following:

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

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Receivables

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

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

III. Interfund Receivables and Payables

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

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

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

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

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

IV. Capital Assets

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

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

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

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

B. Liabilities

I. Pension Plans

General Information

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Plan Descriptions

Teachers' Retirement System

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

Employees' Retirement System

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 3.5% of their salary for their entire length or service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS.

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

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

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

Pension Liabilities

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

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense (Credit)

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

Deferred Outflows and Inflows of Resources Related to Pensions

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

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

Deferred Outflows and Inflows of Resources Related to Pensions

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

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

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

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

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

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

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

Discount Rate

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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

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

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

Changes of Assumptions

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

Collective Pension Expense

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Payables to the Pension Plan

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

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

Other Benefits

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

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

Interest on short-term debt was comprised of:

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Short-Term Debt

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

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

Long-Term Debt

Serial Bonds

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

Interest on long-term debt was comprised of:

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

Long-Term Obligations

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Changes

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

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

The above liabilities are liquidated by the general fund.

Maturity

The following is a summary of maturity of indebtedness:

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

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

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

III. Constitutional Debt Limit

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

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

IV. Deferred Inflows of Resources

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

V. Deferred Outflows and Inflows of Resources

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

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

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

General Information

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

Workers' Compensation Insurance

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

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

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

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Workers' Compensation Insurance

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

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

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

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

Health Insurance Plan

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

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

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

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Health Insurance Plan

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

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

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

B. Other Items

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

4. POSTEMPLOYMENT BENEFITS

Plan Description

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

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

4. POSTEMPLOYMENT BENEFITS

Funding Policy

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

Benefits Provided

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

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

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

Net OPEB Liability

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

Actuarial Assumptions and Other Inputs

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

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

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

4. POSTEMPLOYMENT BENEFITS

Net OPEB Liability

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

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

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

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

Changes in the Net OPEB Liability

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

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

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

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

4. POSTEMPLOYMENT BENEFITS

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

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

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

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

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

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

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

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

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

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

4. POSTEMPLOYMENT BENEFITS

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

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

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

5. DEFICIT FUND BALANCE

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

6. TAX ABATEMENTS

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

7. LEASE ASSETS AND OBLIGATIONS

Lease Assets

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

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

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

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

7. LEASE ASSETS AND OBLIGATIONS

Lease Liability

Lease agreements are summarized as follows:

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

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

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

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

Lease Receivable

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

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

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

7. LEASE ASSETS AND OBLIGATIONS

Lease Receivable

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

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

8. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

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

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

9. SUBSEQUENT EVENTS

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

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

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

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

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

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

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

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

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

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

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

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

NYSERS Pension Plan

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

NYSTRS Pension Plan

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

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

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

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

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

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

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

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

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

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



BUSINESS
ADVISORS
AND CPAS

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

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

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

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Mengel, Metzger, Bar & Co. LLP

Latham, NY
October 14, 2025

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____yes X no

Section II: Financial Statement Findings

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

None

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

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

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

Status: This was corrected and therefore, not repeated.