

NEW/RENEWAL ISSUE**BOND ANTICIPATION NOTES**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "TAX MATTERS" herein.

The Notes will be designated as "qualified tax-exempt obligations" under Section 265(b)(3)(B) of the Code.

\$4,695,100

BALLSTON SPA CENTRAL SCHOOL DISTRICT



SARATOGA COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$4,695,100 Bond Anticipation Notes – 2026

(the "Notes")

Dated: September 10, 2026

Due: September 10, 2027

The Notes will be general obligations of the Ballston Spa Central School District, Saratoga County, New York (the "District" or "School District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Notes and, unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount. See "NATURE OF OBLIGATION" herein.

The Notes are not subject to redemption prior to maturity.

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

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

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on August 27, 2026 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

August __, 2026

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes in book-entry or registered form through the facilities of DTC located in Jersey City, New Jersey, or as otherwise agreed by the purchaser and the District, on or about September 10, 2026.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

SARATOGA COUNTY, NEW YORK



2026-2027 BOARD OF EDUCATION

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President

KATIE WHITEMORE
Vice President

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* * * * *

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Superintendent

BRIAN SIRIANNI
Assistant Superintendent of Business and Operations
&
District Clerk

MELISSA LOVELASS
School District Treasurer



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

HAWKINS

Bond Counsel

No person has been authorized by Ballston Spa Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Ballston Spa Central School District.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT
OF THE
BALLSTON SPA CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK
RELATING TO
\$4,695,100 Bond Anticipation Notes – 2026**

This Official Statement, which includes the cover page and appendices, has been prepared by the Ballston Spa Central School District, Saratoga County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$4,695,100 principal amount of Bond Anticipation Notes – 2026 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "*NATURE OF OBLIGATION*" herein.

The Notes are dated and mature, and will be issued as set forth on the cover page hereof.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Authority for and Purpose of Issue

The Notes are issued pursuant to the Constitution and laws of the State, including the Education Law, constituting Chapter 16, and the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of New York and various bond resolutions adopted by the Board of Education of the District on their respective dates.

A \$3,075,000 portion of the proceeds of the Notes, along with \$1,195,000 in District funds available therefore, will be issued to redeem, in part, \$4,270,000 bond anticipation notes maturing on September 11, 2026, originally issued to finance the acquisition of school buses and vehicles (the “Project”). The \$1,620,100 balance of the proceeds of the Notes will provide additional original financing for the Project.

The details of the purposes of the Notes are as follows:

Purpose	Year of Authorization	Amount Outstanding	Principal Reduction	New Money	Proceeds of the Notes
School Buses & Vehicles	2021	200,000	200,000	-	-
School Buses & Vehicles	2022	395,000	195,000	-	200,000
School Buses & Vehicles	2023	605,000	195,000	-	410,000
School Buses & Vehicles	2024	875,000	205,000	-	670,000
Bus Lifts	2024	595,000	110,000	-	485,000
School Buses & Vehicles	2025	1,327,000	242,000	-	1,085,000
School Buses & Vehicles - Electric	2025	273,000	48,000	-	225,000
School Buses & Vehicles	2026	-	-	1,620,100	1,620,100
		<u>\$ 4,270,000</u>	<u>\$ 1,195,000</u>	<u>\$ 1,620,100</u>	<u>\$ 4,695,100</u>

NATURE OF OBLIGATION

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

The Notes are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Notes are being issued to finance voter approved capital expenditures, the Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See “*Tax Levy Limitation Law*” herein.)

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future, could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

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

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

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's economy and financial condition and other circumstances. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. See "*TAX LEVY LIMITATION LAW*" herein.

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

Cybersecurity

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

The District, like many other public and private entities, contracts with third party vendors to provide services to the District. Most, if not all third-party vendors, have their own cybersecurity and operational controls in place. The District provides no assurances that such cybersecurity and operational control measures will be completely successful to guard against cyber threats and attacks.

BOOK-ENTRY-ONLY-SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes under Certain Circumstances

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form. Principal of and interest on the Notes will be payable at the option of the purchaser(s) at the office of the District or at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. Paying agent fees, if any, shall be the responsibility of the purchaser(s). A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount held by each owner at such interest rate. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the southwest corner of Saratoga County and is approximately 20 miles north of the City of Albany and 5 miles south of the City of Saratoga Springs. The District includes portions of the Towns of Ballston, Charlton, Malta and Milton as well as the entire Village of Ballston Spa. The District encompasses approximately 61 square miles.

The District is served by a network consisting of all major forms of transportation. Several primary highways run through the District including US Interstate 87 (the Adirondack Northway), U.S. Route 9 and New York Routes 50 and 67. Commercial air service is available at the Albany International Airport which is approximately 25 minutes south of the District. Amtrak provides railroad passenger service from a station located in the City of Saratoga Springs and CSX provides freight service. Greyhound and Adirondack Trailways provide long distance bus transportation while Upstate Transit and the Capital District Transportation Authority provide commuter bus services.

Sewer and water services are provided by a combination of municipal systems including a County sewer district and private systems. Fire protection is provided by the Village of Ballston Spa as well as various independent fire districts which tax School District residents for their services.

Population

The current estimated population of the District is 31,630.

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

Selected Wealth and Income Indicators

Per capita income statistics are not available for the School District as such. The smallest areas for which such statistics are available, which includes the School District, are the Towns listed below and the County of Saratoga. The figures set below with respect to such Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the School District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns of:						
Ballston	\$ 24,206	\$ 44,024	\$ 56,344	\$ 61,709	\$108,152	\$147,500
Charlton	27,924	44,172	50,084	66,250	112,941	123,750
Malta	25,972	53,474	65,699	68,239	102,524	131,102
Milton	20,443	40,804	48,674	51,771	99,232	123,946
County of:						
Saratoga	23,945	45,624	57,380	58,213	106,258	129,811
State of:						
New York	23,389	40,898	50,712	51,691	87,270	106,873

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2020-2024 American Community Survey data.

Larger Employers

The top employers in the County and the estimated number of persons employed by each are as follows:

<u>Employer</u>	<u>Location</u>	<u>Approximate # of Employees</u>
GlobalFoundries	Malta	3,200
Saratoga Hospital	Saratoga Springs	1,850
Shenendehowa Central School District	Clifton Park, Malta, Halfmoon	1,800
Navy – Personnel at Fluor Lab	Milton	1,500
Saratoga County	Ballston Spa	1,400
Skidmore College	Saratoga Springs	1,120
Saratoga Springs City School District	Saratoga Springs, Greenfield, Wilton	1,010
Momentive Performance Materials	Waterford	1,000
Stewart's Ice Cream Co.	Countywide	990

Source: Saratoga County Economic Development Corporation.

Unemployment Rate Statistics

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

	<u>Annual Average</u>							
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Saratoga County	3.4%	3.2%	6.4%	3.8%	2.7%	2.7%	2.9%	3.0%
New York State	4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%	4.3%

	<u>2026 Monthly Figures</u>							
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>
Saratoga County	3.3%	3.7%	3.4%	3.0%	3.0%	3.0%	N/A	N/A
New York State	4.7%	5.2%	4.4%	4.2%	4.2%	4.4%	N/A	N/A

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

Economic Developments

Saratoga County and the surrounding Tech Valley region of eastern New York State have become the premier location for innovative, high tech companies. With over \$27 billion invested and growing, the region has earned the reputation as a global leader in high-technology manufacturing, research and development, a world-class workforce, shovel ready sites and competitive incentives.

GlobalFoundries

Major economic developments nearby the District include the completion of the GlobalFoundries Fab 8 manufacturing plant, located within the 1,400-acre Luther Forest Technology Campus in the nearby town of Malta, which currently employs approximately 3,000 people and produces state-of-the-art 300mm semiconductor wafers for leading edge companies like IBM, Rockchip, Broadcom, Qualcomm, STMicroelectronics and others. The GlobalFoundries campus consists of approximately 2 million square feet of building space situated on just over 220 acres including two office buildings over 200,000 square feet each, utility and support buildings and a 390,000 square foot factory including a clean room the size of 6 football fields.

GlobalFoundries completed and then expanded its first Fabrication facility (“Fab”) in 2015; then completed a large administrative building and a new Technology Development Center (TDC) that added more production space in 2016. The expanded facilities are expected to play a key role in the company’s strategy to develop innovative semiconductor solutions allowing customers to compete at the leading edge of technology. The TDC features more than a half million square feet of flexible space to support a range of technology development and manufacturing activities, including cleanroom and laboratory space.

GlobalFoundries was also recently granted zoning and planning approval for a new Fab 8.2 manufacturing plant which could produce 450mm wafers. This 575,000-square-foot factory with 475,000 square feet of cleanroom space could add an estimated 3,700 new jobs. The expansion would triple the company's current employment of 2,160 on site jobs to 6,700 jobs. GlobalFoundries has applied for the zoning changes for Fab 8.2 so it could act quickly if there is an increase in demand for chips and a need for more capacity in the semiconductor industry.

Including the construction of the TDC, the total GlobalFoundries capital investment is now approximately \$8 billion, of which New York State has invested roughly \$1.3 billion. The planned Fab 8.2 plant is expected to cost up to \$14.7 billion. New York State has invested over \$100 million in the development of the Luther Forest Technology Campus and accompanying infrastructure including roads, power, water, sewer and other systems infrastructure. Saratoga County has also invested over \$68 million in a new countywide water system and has invested \$54 million to upgrade sewage treatment capacity.

GlobalFoundries is considered among the largest semi-conductor manufacturing facilities, performs advanced research, development and manufacturing of semi-conductors and is the first major tenant in the Luther Forest Technology Campus. Per a GlobalFoundries "Fab 8 Campus" Fact Sheet, there is approximately 3 million square feet of development with a total capital investment into these facilities of approximately \$10 billion dollars creating approximately 3,000 new direct jobs and 15,000 indirect jobs.

The Town of Malta has also had a recent influx of residential apartment units constructed or in the process of being constructed in the downtown area. (Ellsworth Commons – 310 units, Lofts at Saratoga Village Boulevard – 214 units, Park Place – 511 units). Several commercial buildings, restaurants and retail establishments have been recently built in the School District to accommodate the Global Foundries employees. Additionally, Saratoga Hospital has an emergency and emergent care facility has approval to construct 100 independent senior living apartments in their next phase of development. The southern end of the town of Malta has also benefited from the redevelopment of the Malta Mall which is now anchored by a Hannaford grocery store. Another favorable attribute of the District is its close proximity to many tourist attractions including the Saratoga Performing Arts Center, Saratoga Race Track, the National Museum of Dance, the National Museum of Racing, and the Adirondack Park.

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of seven members who are elected for three-year terms. Each Board member must be a qualified voter of the School District and no Board member may hold certain other district offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

The duties of the administrative officers of the School District are to implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is usually held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The District’s 2025-2026 budget was approved by the qualified voters of the District on May 20, 2025. The District’s adopted budget for the 2025-2026 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a tax levy increase of 4.4% which was below the District’s allowable Tax Cap of 5.2%.

The District’s 2026-2027 budget was approved by the qualified voters of the District on May 19, 2026. The District’s adopted budget for the 2026-2027 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a tax levy increase of 3.90% which was below the District’s allowable Tax Cap of 4.26%.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; and (6) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District’s current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The School District has adopted its own investment policy, which, in addition to incorporating all of the provisions of statute enumerated above, further restricts trading partners to commercial banks or trust companies licensed and doing business in New York State. The policy prohibits investing through any private entity or brokerage firm and provides for written security agreements and/or custodial agreements with each commercial bank or trust company.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2026-27 fiscal year, approximately 35.95% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's Enacted Budgets were adopted after the April 1 deadline in the State's fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late), 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late) and 2026-27 (adopted on May 27, 2026, fifty-six (56) days late). The State's Enacted Budgets were adopted by April 1 or shortly thereafter in the State's fiscal years 2016-17 through 2022-23, inclusive. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State

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

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

President Trump signed an executive order (the "Education Executive Order") that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The Education Executive Order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies.

In furtherance of the Education Executive Order, on June 16, 2026, the U.S. Department of Education announced four new interagency agreements that shift the management and administration of federal special education programs to the Department of Health and Human Services ("HHS"). Key elements of the change include:

- **Oversight Shift:** Day-to-day management and grant administration for the Office of Special Education and Rehabilitative Services and the Office of Special Education Programs are being transferred to HHS.
- **Statutory Responsibility:** Legally, the statutory authority for the Individuals with Disabilities Education Act remains with the Department of Education, but its actual execution is outsourced.
- **DOJ Integration:** Civil rights and student privacy enforcement are simultaneously being moved to the Department of Justice.

While the interagency agreements are immediately, Senior Administration officials have publicly noted that operational details, staff relocations, and specific execution timelines are still actively being sorted out.

The full impact that the Education Executive Order will have on the State and school districts in the State is unknown at this time.

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 building aid ratios, the District expects to receive State building aid of approximately 74.9% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State Aid History

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The State's 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding was included to establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

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

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

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

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

- **Foundation Aid increase:** The Enacted Budget provides an approximately \$779 million increase in Foundation Aid, bringing total Foundation Aid to about \$27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase:** Total School Aid for the 2026-27 school year is projected at approximately \$39.3 billion, an increase of roughly \$1.6 billion over the prior year.
- **Universal Pre-K expansion:** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded:** The Enacted Budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly \$282 million statewide.
- **Building Aid for renewable energy projects:** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project’s “primary cost allowance” for Building Aid purposes.
- **Zero emission bus mandate:** The Enacted Budget also extended the zero-emission bus mandate by five years, allowing districts until July 1, 2032, to purchase only zero-emission buses and until July 1, 2040, to operate and maintain only zero-emission buses.

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

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

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

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

A breakdown of currently anticipated Foundation Aid funding is outlined below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.
- FY 2027 Budget: \$27.1 billion in Foundation Aid, an increase of \$779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State’s 2025-26 and 2026-27 Budgets also made a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$ 90,915,777	\$ 28,320,676	31.15%
2021-2022	92,902,871	30,426,525	32.75
2022-2023	97,257,862	33,441,765	34.38
2023-2024	103,662,212	38,349,452	36.99
2024-2025	106,438,198	38,992,790	36.63
2025-2026 (Budgeted)	108,505,520 ⁽¹⁾	39,350,381	36.27
2025-2026 (Unaudited)	109,090,000	39,640,000	36.33
2026-2027 (Budgeted)	111,942,988 ⁽¹⁾	40,247,757	35.95

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

Note: 2025-2026 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

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

School Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built / Additions</u>
Ballston Spa High School	9-12	1,400-1,800	1998, 2013
Ballston Spa Middle School	6-8	1,490	1955, '62, '68, '93, 2013
Wood Road Elementary School	K-5	1,182	1968, '93, 2013
Malta Avenue Elementary School	K-5	648	1900, '13, '28, '93, 2013
Milton Terrace Elementary School	K-5	748	1970, '93, 2013
Gordon Creek Elementary School	K-5	800	2013

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	3,993	2026-27	3,730
2022-23	3,965	2027-28	3,688
2023-24	3,886	2028-29	3,621
2024-25	3,827	2029-30	3,591
2025-26	3,759	2030-31	3,570

Source: District officials.

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Employees

The District employs a total of 760 full-time and 105 part-time employees, with employees that are represented by various bargaining units outlined below:

<u>Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
12	Ballston Spa Administrative Council	June 30, 2028
390	Ballston Spa Central Teachers Association	June 30, 2028
324	Ballston Spa Unit CSEA	June 30, 2027
70	Ballston Spa Teachers Association – Per Diem & Subs	June 30, 2029
69	Association of Teaching Assistants	June 30, 2027

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The State's Enacted 2026-27 Budget made a number of changes to the Tier VI pension program:

- Lowered Retirement Age: The full-benefit retirement age for members of TRS is reduced from 63 to 58 for members with 30 years of service, allowing educators to retire without pension penalties earlier.
- Reduced Contribution Rates: Member pension contribution percentages for members of ERS are adjusted into tiered salary brackets:
 - \$75,000 or less: 3%
 - Over \$75,000 to \$100,000: 4%
 - Over \$100,000 to \$125,000: 5.25%
 - Over \$125,000: 5.75%
- Overtime Cap Increase: For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to \$30,000 plus CPI (up from the previous \$22,500 cap).

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal year 2021-2022 through and including 2025-2026 and budgeted figures for the 2026-2027 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2021-2022	\$ 1,252,323	\$ 3,782,015
2022-2023	1,060,513	4,268,157
2023-2024	1,395,326	4,135,974
2024-2025	1,572,632	4,037,089
2025-2026	1,746,858	3,819,940
2026-2027 (Budgeted)	2,040,000	3,455,000

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District has established an early retirement incentive program. In year one, 16 teacher association members participated at an estimated cost of \$320,000 and expected savings of \$600,000.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2020-21 to 2026-27) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59
2026-27	17.6	8.24

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the “Stable Rate Pension Contribution Option”). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS reserve fund.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post Employee Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Bouchey, Millet & Schafer Benefit Consulting LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the past two fiscal years, by source.

	Balance beginning at July 1:	2023	2024
<u>Changes for the year:</u>		<u>\$ 211,191,182</u>	<u>\$ 215,425,251</u>
Service cost		4,720,480	4,956,504
Interest on OPEB liability		7,474,803	7,837,324
Changes in benefit terms		-	-
Differences between expected and actual experience		-	(7,521,107)
Change of assumptions or other inputs		(3,163,614)	(8,257,994)
Benefit payments		<u>(4,797,600)</u>	<u>(5,373,313)</u>
Net Changes		<u>\$ 4,234,069</u>	<u>\$ (8,358,586)</u>
	Balance ending at June 30:	<u>2024</u>	<u>2025</u>
		<u><u>\$215,425,251</u></u>	<u><u>\$207,066,665</u></u>

Source: Audited financial reports of the District. For additional information see "APPENDIX – D" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

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

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and is attached hereto as “APPENDIX – D”. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

Unaudited Results for Fiscal Year Ending June 30, 2026

The District expects to conclude the fiscal year ending June 30, 2026 with an unassigned fund balance of approximately \$4,510,000.

Summary unaudited projected information for the General Fund for the period ending June 30, 2026 is as follows:

Projected Revenues:	\$ 109,090,000
Projected Expenditures:	<u>107,240,000</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ 1,850,000</u>
Total General Fund Balance at June 30, 2025:	\$ 20,594,122
Total Projected General Fund Balance at June 30, 2026:	\$ 22,444,122

The audited financial statements for the fiscal year ending June 30, 2026 are expected to be available on or about October 16, 2026.

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

New York State Comptroller Report of Examination

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

The State Comptroller’s office has not released an audit of the District within the last five years. There are currently no pending audits of the District by the State Comptroller’s office.

Note: Reference to website implies no warranty of accuracy of information therein.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past five fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2025	No Designation	3.3
2024	No Designation	3.3
2023	No Designation	6.7
2022	No Designation	6.7
2021	No Designation	3.3

Note: The FSMS score for the fiscal year ending June 30, 2025 has not been calculated as of the date of this Official Statement.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein, nor incorporation herein by reference.

TAX INFORMATION

Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Ballston	\$ 337,140,259	\$ 362,801,250	\$ 373,979,919	\$ 387,189,420	\$ 396,688,109
Charlton	843,331	844,228	841,800	873,748	835,244
Malta	1,619,513,211	1,744,170,533	1,981,984,342	2,171,760,002	2,331,211,587
Milton	1,084,271,614	1,109,863,918	1,147,229,264	1,174,979,812	1,228,224,940
Total Assessed Values	<u>\$ 3,041,768,415</u>	<u>\$ 3,217,679,929</u>	<u>\$ 3,504,035,325</u>	<u>\$ 3,734,802,982</u>	<u>\$ 3,956,959,880</u>

State Equalization Rates

Towns of:					
Ballston	85.30%	76.25%	70.50%	65.67%	63.49%
Charlton	68.00%	63.00%	55.00%	51.00%	49.00%
Malta	100.00%	100.00%	100.00%	100.00%	100.00%
Milton	85.00%	76.50%	69.90%	63.00%	60.50%
Taxable Full Valuations	<u>\$ 3,291,607,699</u>	<u>\$ 3,672,118,003</u>	<u>\$ 4,155,226,440</u>	<u>\$ 4,628,119,184</u>	<u>\$ 4,987,844,112</u>

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Ballston	\$ 19.55	\$ 20.09	\$ 19.80	\$ 19.87	\$ 19.92
Charlton	24.53	24.31	25.39	25.60	25.82
Malta	16.67	15.31	13.95	13.05	12.65
Milton	19.61	20.01	19.96	20.72	20.90

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 54,895,674	\$ 56,248,499	\$ 58,016,479	\$ 60,420,920	\$ 63,103,578
Amount Uncollected ⁽¹⁾	1,630,825	1,743,703	1,688,234	1,986,009	2,109,624
% Uncollected	2.97%	3.10%	2.91%	3.29%	3.34%

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

Tax Collection Procedure

The School District levies its own taxes at the end of August and collects taxes during September and October. Taxes paid by the end of the first 30 days of collection are not subject to a penalty. Taxes collected during the second phase (the end of the first 30-day period until October 31st) are subject to a 2% penalty.

All taxes uncollected after the 2% penalty period are turned over to the County Treasurer and appear on the property owner's January Town and County Tax bill, including additional penalties. The County must remit the full amount of unpaid taxes including the 2% penalty to the School District by April 1st of the succeeding calendar year. Thus, the School District is guaranteed payment of 100% of its taxes in the year of the levy.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2020-2021	\$ 90,915,777	\$ 53,775,164	59.15%
2021-2022	92,902,871	54,822,493	59.01
2022-2023	97,257,862	56,190,641	57.77
2023-2024	103,662,212	57,992,139	55.33
2024-2025	106,438,198	60,412,733	56.76
2025-2026 (Budgeted)	108,505,520 ⁽¹⁾	63,103,578	58.16
2025-2026 (Unaudited)	109,090,000	63,096,041	57.83
2026-2027 (Budgeted)	111,942,988 ⁽¹⁾	65,590,400	58.59

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

Note: 2025-2026 unaudited projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

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

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

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Global Foundries	Industrial	\$ 252,190,460
National Grid (formerly Niagara Mohawk)	Utility	114,244,287
Winner Circle LP	Apartments	89,021,014
Ellsworth Partners LLC	Commercial	48,410,000
Grande Ville at Park Place LLC	Apartments	44,340,000
Saratoga Blvd Apartments, Inc	Apartments	43,055,000
SL Malta Apartments LLC	Apartments	33,990,000
GAM II Acquisitions, Inc	Apartments	28,325,000
JDM II SF National LLC	Financial Services	25,425,000
Regency Realty Association LLC	MHP	25,165,056

The largest taxpayers listed above (excluding Global Foundries since they do not pay taxes but make PILOT payments) have a total estimated assessed valuation of \$451,975,357, which represents 11.4% of the 2025-26 tax base of the School District.

The District currently does not have any pending or outstanding tax certioraris that are known or believed to have a material impact on the District.

STAR – School Tax Exemption

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

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

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

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

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

<u>Town of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Ballston	\$ 67,170	\$ 22,770	4/10/2026
Charlton	51,840	17,750	4/10/2026
Malta	105,790	35,860	4/10/2026
Milton	64,000	21,700	4/10/2026

\$2,684,501 of the District’s \$63,083,069 school tax levy for the 2025-26 fiscal year was exempted by the STAR Program. The School District received full reimbursement in January 2026.

Approximately \$2,600,000 of the \$65,590,400 school tax levy for the 2026-27 fiscal year to be exempted by the STAR Program. The School District expects to receive full reimbursement in January 2027.

Additional Tax Information

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

Senior citizens' exemptions are offered to those who qualify.

TAX LEVY LIMITATION LAW

Chapter 97 of the New York Laws of 2011, as amended, (herein referred to as the "Tax Levy Limit Law" or "Law") modified previous law by imposing a limit on the amount of real property taxes that a school district may levy.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Under the Tax Levy Limit Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, subject to certain exclusions as mentioned below and as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Notes) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

STATUS OF INDEBTEDNESS

Constitutional and Statutory Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Except for certain short-term indebtedness contracted in anticipation of taxes, or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose (as determined by statute) or, in the alternative, the weighted average period of probable usefulness of the several objects or purposes for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment unless the District determines to issue debt amortized on the basis of substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

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

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under “NATURE OF OBLIGATION,” the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness, however, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See “TAX LEVY LIMITATION LAW” herein).

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District complied with this estoppel procedure in connection with the bond resolution pursuant to which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

In general, statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein, and “Details of Outstanding Indebtedness” herein).

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, in anticipation of the collection of a specific type of revenue, and budget or deficiency notes when necessary.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Bonds	\$ 39,095,000	\$ 50,995,000	\$ 47,545,000	\$ 43,710,000	\$ 40,035,000
Bond Anticipation Notes	11,388,000	19,704,914	2,895,000	2,915,000	4,270,000
Energy Performance Contract	<u>19,704,914</u>	<u>2,895,000</u>	<u>2,915,000</u>	<u>3,640,000</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 58,799,914</u>	<u>\$ 53,890,000</u>	<u>\$ 50,460,000</u>	<u>\$ 47,350,000</u>	<u>\$ 44,305,000</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 20, 2026.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2043	\$ 40,035,000
<u>Bond Anticipation Notes</u>		
Purchase of School Buses	September 11, 2026	<u>4,270,000</u> ⁽¹⁾
Total Indebtedness		<u>\$ 44,305,000</u>

⁽¹⁾ To be redeemed and renewed in part with \$1,195,000 available funds of the District and a portion of the proceeds of the Notes.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 20, 2026:

Full Valuation of Taxable Real Property	\$ 4,987,844,112
Debt Limit 10% thereof	498,784,411

Inclusions:

Bonds	\$ 40,035,000
Bond Anticipation Notes	<u>4,270,000</u>
Total Inclusions prior to issuance of the Notes	<u>\$ 44,305,000</u>
Add: New money proceeds of the Notes	\$ 1,620,100
Less: BAN Budgeted Appropriations	<u>(1,195,000)</u>
Total Net Inclusions after issuance of the Notes	\$ 44,730,100

Exclusions:

State Building Aid ⁽¹⁾	\$ 0	\$ 0
Total Exclusions		<u>\$ 0</u>
Total Net Indebtedness		<u>\$ 44,730,100</u>
Net Debt-Contracting Margin		<u>\$ 454,054,311</u>

The percent of debt contracting power exhausted is 8.96%

⁽¹⁾ Based on 2026-2027 preliminary building aid estimates, the District anticipates State Building aid of 74.9% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to the outstanding bonds.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the statutory debt limit of the School District.

Bonded Debt Service

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

Capital Project Plans

The District typically issues bond anticipation notes on an annual basis to finance the purchase of school buses.

The District voters approved a capital project referendum in December 2025 for \$61,813,000. The capital project includes roofs, air conditioning, athletic fields, and other infrastructure.

The District has no other authorized and unissued indebtedness for capital or other purposes at this time.

Cash Flow Borrowings

The District, historically, does not issue tax anticipation notes and/or revenue anticipation notes nor does it plan on issuing any in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:				
Saratoga	12/31/2024	\$ 99,428,288	11.56%	\$ 11,493,910
Town of:				
Ballston	12/31/2024	15,147,323	28.90%	4,377,576
Charlton	12/31/2024	-	0.25%	-
Malta	12/31/2024	16,760,000	72.99%	12,233,124
Milton	12/31/2024	10,975,000	79.88%	8,766,830
Village of:				
Ballston Spa	5/31/2025	645,335	100.00%	<u>645,335</u>
			Total:	<u>\$ 37,516,775</u>

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

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

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of August 20, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 44,730,100	\$ 1,414.16	0.89%
Net Indebtedness Plus Gross Overlapping Indebtedness ^(d)	82,246,875	2,600.28	1.64

(a) The current estimated population of the District is 31,630. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2025-2026 fiscal year is \$4,987,844,112. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated gross overlapping indebtedness is \$37,516,775. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a “Discount Note”), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner’s adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Note (a “Premium Note”). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner’s yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into an Undertaking to Provide Notice of Material Events Certificate, the form, substantially of which, is attached hereto as “*APPENDIX – C – UNDERTAKING TO PROVIDE NOTICES OF EVENTS*.”

Historical Continuing Disclosure Compliance

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

LITIGATION

The New York State Child Victims Act (“CVA”), enacted in 2019, temporarily revived certain civil claims alleging child sexual abuse that otherwise would have been barred by the applicable statutes of limitation. Similarly, the New York State Adult Survivors Act (“AVA”) created a limited revival window for certain civil claims alleging sexual offenses against adults that likewise would have been time-barred. As a result of these statutes, claims that previously could not have been maintained were permitted to be commenced during the applicable statutory revival periods.

The Ballston Spa Central School District is currently defending one action arising under the CVA and one action arising under the AVA. The actions involve the same Plaintiff, the same alleged perpetrator, and allegations of sexual abuse purportedly occurring between 1978 and 1980, when the Plaintiff was between 17 and 18 years old. By order of the Court, the actions have been consolidated for purposes of discovery and trial and are proceeding together.

The litigation remains pending. Discovery is ongoing, depositions continue to be conducted, and the Court has issued scheduling orders governing the progression of the case. The School District disputes the allegations and continues to vigorously defend the litigation. Because discovery remains ongoing and the factual record has not yet been fully developed, it is not yet possible to fully assess the District’s potential liability, if any, or the extent of any damages that may ultimately be claimed or recovered.

The claims asserted in this litigation are not covered by applicable insurance. Accordingly, to the extent any liability were ultimately imposed against the District, any resulting obligation would be the responsibility of the District and would be addressed through the District's available financial resources and lawful budgetary or financing mechanisms.

Other than noted above, the District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

The Municipal Advisor intends to apply for CUSIP identification numbers, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale with the approval of the School District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action may result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "*APPENDIX – C – UNDERTAKING TO PROVIDE NOTICES OF EVENTS*" herein.)

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "AA" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

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

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

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

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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

The District's contact information is as follows: Mr. Brian Sirianni, Assistant Superintendent of Business and Operations, District Offices, 70 Malta Avenue, Ballston Spa, New York 12020, Phone: (518) 884-7195 and Fax: (518) 884-7126, Email: bsirianni@bscsd.org.

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

Dated: August 20, 2026

JASON FERNAU
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>ASSETS</u>					
Cash - Unrestricted	\$ 6,628,668	\$ 6,153,198	\$ 5,472,024	\$ 6,849,287	\$ 8,074,286
Cash - Restricted	10,625,000	11,599,125	12,021,062	12,549,476	14,722,064
Due from Other Funds	1,705,431	3,352,753	3,481,577	2,827,824	1,615,782
State and Federal Aid Receivable	2,327,867	1,767,194	2,443,061	3,568,486	2,628,333
Due from Other Governments	36,902	36,868	36,879	18,384	-
Other Receivable	215,528	170,107	273,517	250,600	319,373
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 21,539,396	\$ 23,079,245	\$ 23,728,120	\$ 26,064,057	\$ 27,359,838
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 541,386	\$ 1,111,361	\$ 826,964	\$ 1,011,199	\$ 949,011
Accrued Liabilities	641,280	424,916	412,825	625,391	708,621
Due to Other Funds	422,410	249,716	575,908	675,471	1,473
Due to Other Governments	274,909	274,909	275,494	-	-
Due to Employees' Retirement Systems	424,228	328,747	332,589	424,074	503,420
Due to Teacher's Retirement Systems	3,674,801	4,186,110	4,604,184	4,460,995	4,580,430
Deferred Revenues	12,124	6,948	146,233	-	22,761
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	\$ 5,991,138	\$ 6,582,707	\$ 7,174,197	\$ 7,197,130	\$ 6,765,716
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,625,000	11,599,125	12,021,062	12,549,476	14,722,064
Assigned	1,516,697	1,570,656	1,432,433	2,045,145	2,191,535
Unassigned	3,406,561	3,326,757	3,100,428	4,272,306	3,680,523
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND EQUITY	15,548,258	16,496,538	16,553,923	18,866,927	20,594,122
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 21,539,396</u>	<u>\$ 23,079,245</u>	<u>\$ 23,728,120</u>	<u>\$ 26,064,057</u>	<u>\$ 27,359,838</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 53,775,164	\$ 54,822,493	\$ 56,190,641	\$ 57,992,139	\$ 60,412,733
Other Tax Items	6,347,421	5,730,142	4,802,031	3,955,678	3,301,245
Charges for Services	648,358	781,478	778,873	613,028	598,757
Use of Money & Property	38,233	65,593	1,012,566	1,657,729	1,604,931
Sale of Property and					
Compensation for Loss	7,602	139	11,616	4,309	53,669
Miscellaneous	1,087,848	875,970	857,785	897,141	899,676
Revenues from State Sources	28,320,676	30,426,525	33,441,765	38,349,452	38,992,790
Revenues from Federal Sources	690,475	200,531	162,585	192,736	574,397
Total Revenues	<u>\$ 90,915,777</u>	<u>\$ 92,902,871</u>	<u>\$ 97,257,862</u>	<u>\$ 103,662,212</u>	<u>\$ 106,438,198</u>
Other Sources:					
Interfund Transfers	593,165	-	509,984	400,250	5,526
Total Revenues and Other Sources	<u>\$ 91,508,942</u>	<u>\$ 92,902,871</u>	<u>\$ 97,767,846</u>	<u>\$ 104,062,462</u>	<u>\$ 106,443,724</u>
<u>EXPENDITURES</u>					
General Support	\$ 9,424,418	\$ 9,629,721	\$ 10,636,020	\$ 10,514,738	\$ 10,652,244
Instruction	47,178,447	49,862,296	51,776,427	53,473,001	54,371,171
Pupil Transportation	3,774,380	4,421,543	5,169,346	5,298,876	5,534,058
Community Services	47,000	79,946	77,303	86,952	54,000
Employee Benefits	22,626,110	22,898,608	23,852,292	25,699,530	26,846,737
Debt Service	928,367	933,173	972,786	1,047,278	1,072,381
Total Expenditures	<u>\$ 83,978,722</u>	<u>\$ 87,825,287</u>	<u>\$ 92,484,174</u>	<u>\$ 96,120,375</u>	<u>\$ 98,530,591</u>
Other Uses:					
Interfund Transfers	5,370,597	4,129,304	5,226,287	6,143,391	6,185,938
Total Expenditures and Other Sources	<u>89,349,319</u>	<u>91,954,591</u>	<u>97,710,461</u>	<u>102,263,766</u>	<u>104,716,529</u>
Excess of Revenues and Other Sources					
Over Expenditures and Other Uses	<u>2,159,623</u>	<u>948,280</u>	<u>57,385</u>	<u>1,798,696</u>	<u>1,727,195</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	13,388,635	15,548,258	16,496,538	16,553,923	18,866,927
Prior Period Adjustments (net)	-	-	-	514,308 ⁽¹⁾	-
Fund Balance - End of Year	<u>\$ 15,548,258</u>	<u>\$ 16,496,538</u>	<u>\$ 16,553,923</u>	<u>\$ 18,866,927</u>	<u>\$ 20,594,122</u>

⁽¹⁾ Net Position and the fund balance of the general fund increased \$514,308, as a result of receiving state aid for the prior fiscal year not previously recorded as an accounts receivable

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026	2027
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	\$ 60,420,920	\$ 60,420,920	\$ 60,412,733	\$ 63,103,578	\$ 65,590,400
Other Tax Items	3,650,380	3,650,380	3,301,245	2,856,061	2,443,742
Charges for Services	641,500	641,500	598,757	-	-
Use of Money & Property	1,330,000	1,330,000	1,604,931	-	-
Sale of Property and Compensation for Loss	-	-	53,669	-	-
Miscellaneous	796,200	806,266	899,676	3,195,500	3,661,089
Interfund Revenues	250,000	250,000	-	-	-
Revenues from State Sources	38,315,996	38,315,996	38,992,790	39,350,381	40,247,757
Revenues from Federal Sources	225,000	225,000	574,397	-	-
Total Revenues	<u>\$ 105,629,996</u>	<u>\$ 105,640,062</u>	<u>\$ 106,438,198</u>	<u>\$ 108,505,520</u>	<u>\$ 111,942,988</u>
Other Sources:					
Interfund Transfers	-	-	5,526	1,800,000	1,800,000
Total Revenues and Other Sources	<u>\$ 105,629,996</u>	<u>\$ 105,640,062</u>	<u>\$ 106,443,724</u>	<u>\$ 110,305,520</u>	<u>\$ 113,742,988</u>
EXPENDITURES					
General Support	\$ 11,602,828	\$ 12,022,437	\$ 10,652,244	\$ 11,904,769	\$ 12,320,393
Instruction	54,659,644	55,375,732	54,371,171	55,872,860	57,490,582
Pupil Transportation	5,098,551	5,740,846	5,534,058	5,535,934	5,924,697
Community Services	90,176	54,001	54,000	56,000	58,000
Employee Benefits	28,511,649	27,230,043	26,846,737	29,878,715	30,782,865
Debt Service	1,072,384	1,072,384	1,072,381	7,057,242	7,166,451
Total Expenditures	<u>\$ 101,035,232</u>	<u>\$ 101,495,443</u>	<u>\$ 98,530,591</u>	<u>\$ 110,305,520</u>	<u>\$ 113,742,988</u>
Other Uses:					
Interfund Transfers	6,144,764	6,189,764	6,185,938	-	-
Total Expenditures and Other Uses	<u>\$ 107,179,996</u>	<u>107,685,207</u>	<u>104,716,529</u>	<u>\$ 110,305,520</u>	<u>\$ 113,742,988</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,550,000)</u>	<u>(2,045,145)</u>	<u>1,727,195</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	1,550,000	2,045,145	18,866,927	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,594,122</u>	<u>\$ -</u>	<u>\$ -</u>

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2027	3,850,000	1,796,431	5,646,431
2028	2,870,000	1,609,078	4,479,078
2029	3,000,000	1,480,769	4,480,769
2030	3,130,000	1,346,375	4,476,375
2031	3,275,000	1,205,031	4,480,031
2032	2,465,000	1,055,831	3,520,831
2033	2,375,000	950,763	3,325,763
2034	2,385,000	843,125	3,228,125
2035	2,500,000	733,500	3,233,500
2036	2,615,000	616,500	3,231,500
2037	2,740,000	494,050	3,234,050
2038	1,975,000	375,600	2,350,600
2039	1,470,000	287,050	1,757,050
2040	1,530,000	224,050	1,754,050
2041	1,595,000	158,350	1,753,350
2042	1,670,000	89,700	1,759,700
2043	590,000	17,700	607,700
TOTALS	\$ 40,035,000	\$ 13,283,903	\$ 52,711,203

Note: The table above does not include any energy performance contract, capital lease or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	\$10,925,000			\$2,905,000		
	2014C - DASNY Bonds			2012B Refunding of 2003 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2027	1,115,000	55,750	1,170,750	170,000	30,594	200,594
2028	-	-	-	175,000	25,741	200,741
2029	-	-	-	180,000	20,525	200,525
2030	-	-	-	185,000	15,050	200,050
2031	-	-	-	190,000	9,306	199,306
2032	-	-	-	195,000	3,169	198,169
TOTALS	\$ 1,115,000	\$ 55,750	\$ 1,170,750	\$ 1,095,000	\$ 104,384	\$ 1,199,384

Fiscal Year Ending June 30th	\$18,020,000			\$19,615,000		
	2014C - DASNY Bonds			2016 DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2027	595,000	552,288	1,147,288	1,050,000	510,950	1,560,950
2028	625,000	522,538	1,147,538	1,105,000	458,450	1,563,450
2029	645,000	501,444	1,146,444	1,160,000	403,200	1,563,200
2030	670,000	479,675	1,149,675	1,215,000	345,200	1,560,200
2031	690,000	456,225	1,146,225	1,280,000	284,450	1,564,450
2032	720,000	431,213	1,151,213	385,000	220,450	605,450
2033	745,000	405,113	1,150,113	405,000	201,200	606,200
2034	770,000	377,175	1,147,175	425,000	180,950	605,950
2035	800,000	348,300	1,148,300	450,000	159,700	609,700
2036	830,000	316,300	1,146,300	470,000	137,200	607,200
2037	865,000	283,100	1,148,100	495,000	113,700	608,700
2038	900,000	248,500	1,148,500	510,000	98,850	608,850
2039	945,000	203,500	1,148,500	525,000	83,550	608,550
2040	990,000	156,250	1,146,250	540,000	67,800	607,800
2041	1,040,000	106,750	1,146,750	555,000	51,600	606,600
2042	1,095,000	54,750	1,149,750	575,000	34,950	609,950
2043	-	-	-	590,000	17,700	607,700
TOTALS	\$ 12,925,000	\$ 5,443,119	\$ 18,368,119	\$ 11,735,000	\$ 3,369,900	\$ 15,104,900

Fiscal Year Ending June 30th	\$1,100,000			\$14,695,000		
	2018 Capital Project Bonds			2023 DASNY Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2027	75,000	17,100	92,100	845,000	629,750	1,474,750
2028	75,000	14,850	89,850	890,000	587,500	1,477,500
2029	80,000	12,600	92,600	935,000	543,000	1,478,000
2030	80,000	10,200	90,200	980,000	496,250	1,476,250
2031	85,000	7,800	92,800	1,030,000	447,250	1,477,250
2032	85,000	5,250	90,250	1,080,000	395,750	1,475,750
2033	90,000	2,700	92,700	1,135,000	341,750	1,476,750
2034	-	-	-	1,190,000	285,000	1,475,000
2035	-	-	-	1,250,000	225,500	1,475,500
2036	-	-	-	1,315,000	163,000	1,478,000
2037	-	-	-	1,380,000	97,250	1,477,250
2038	-	-	-	565,000	28,250	593,250
TOTALS	\$ 570,000	\$ 70,500	\$ 640,500	\$ 12,595,000	\$ 4,240,250	\$ 16,835,250

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” – shall mean “financial obligation” as such term is defined in the Rule.

“GAAP” shall mean generally accepted accounting principles as in effect from time to time in the United States.

“Holder” shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

“Issuer” shall mean the **Ballston Spa Central School District, Saratoga County, New York.**

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of September 10, 2026.

“Rule 15c2-12” shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

“Securities” shall mean the Issuer’s \$4,695,100 Bond Anticipation Note – 2026 dated September 10, 2026, maturing on September 10, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;

- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

With respect to events (15) and (16), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **September 10, 2026**.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

By _____
President of the Board of Education and Chief Fiscal Officer

**BALLSTON SPA CENTRAL SCHOOL DISTRICT
SARATOGA COUNTY, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2025

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

**AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES**

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Ballston Spa Central School District
Ballston Spa, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information on pages 55 through 57 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2025

BALLSTON SPA CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2025

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

FINANCIAL HIGHLIGHTS

Financial highlights for fiscal year 2025 are as follows:

- Net position of the District increased \$224,836 over the prior year.
- The District is in the midst of a capital improvement project and the Capital Fund shows a fund balance deficit of \$3,004,620 due to short-term debt issuances (BANs) in advance of permanent financing for buses. The deficit will be eliminated when the BANs are redeemed or converted to permanent financing.
- The School District's bonds payable totaled \$43,708,405 at the end of the fiscal year, a decrease of \$3,847,346.
- New York State Law limits the amount of unreserved and undesignated fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the undesignated fund balance of the General Fund was \$3,680,523. This amount does not exceed the limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

		Fund Financial Statements
	District-Wide	Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as instruction, special education and building maintenance
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

District-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

The District has one kind of fund:

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Ballston Spa Central School District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$144,951,688 at the close of the current fiscal year.

Table A-2

Condensed Statement of Net Position

	Fiscal Year 2025	Fiscal Year 2024	% Change (Incr.; - Decr.)
Assets			
Current and other assets	\$ 36,163,736	\$ 27,916,900	30
Capital assets - net	101,543,900	102,328,690	-1
Total Assets	137,707,636	130,245,590	6
Deferred Outflows of Resources	23,159,144	33,270,089	-30
Liabilities			
Current liabilities	15,117,564	13,747,839	10
Long-term liabilities	254,799,243	267,640,867	-5
Total Liabilities	269,916,807	281,388,706	-4
Deferred Inflows of Resources	35,901,661	25,678,246	40
Net Position			
Net investment in capital assets	52,796,193	50,877,942	4
Restricted	15,408,499	12,867,775	20
Unrestricted	(213,156,380)	(207,296,990)	-3
Total Net Position	<u>\$ (144,951,688)</u>	<u>\$ (143,551,273)</u>	-1

By far, the largest component of the School District's net position reflects its net investment in capital assets. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Changes in Net Position

The School District's 2025 revenue was \$114,491,169 (see Table A-3). Real property taxes and New York State aid accounted for the majority of revenue by contributing 52.8% and 35.9%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled \$114,266,333 for 2025. These expenses (81.9%) are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative, occupancy and business activities accounted for 13.8% of total costs.

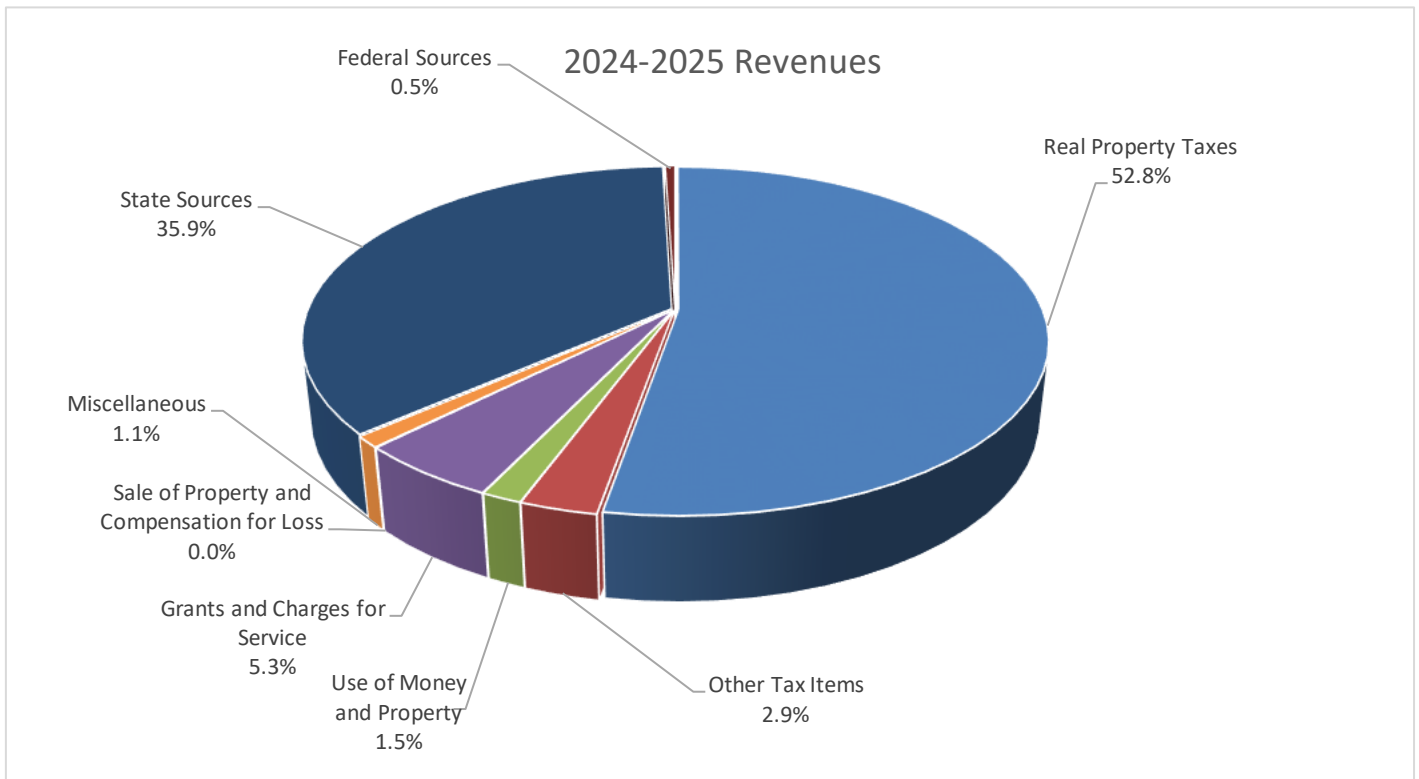
Net position increased during the year by \$224,836.

Table A-3

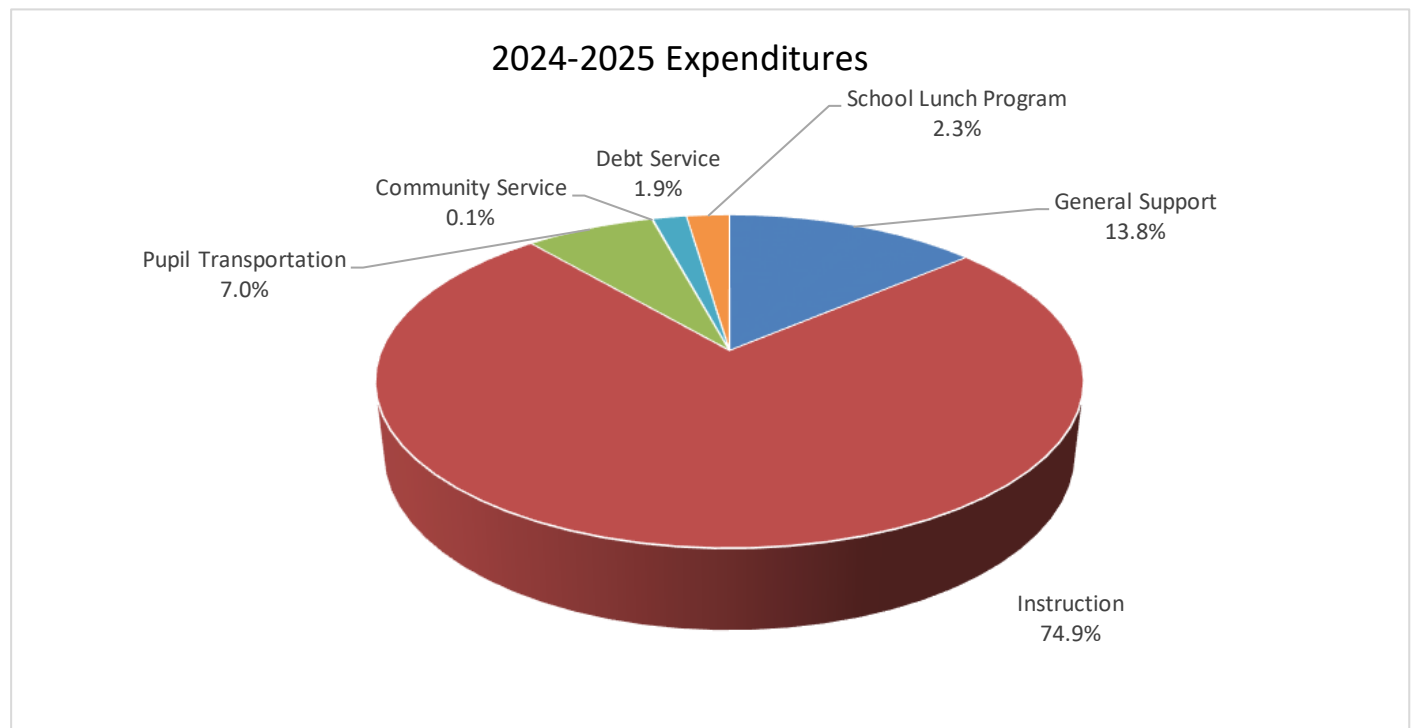
Changes in Net Position from Operating Results

	Fiscal Year 2025	Fiscal Year 2024	% Change Incr.; - Decr.)
Revenues			
Program Revenues			
Charges for services	\$ 791,234	\$ 995,669	-21
Operating grants and contributions	5,322,598	5,076,589	5
General Revenues			
Property taxes	63,713,978	61,947,817	3
State sources	41,131,015	40,297,308	2
Federal sources	574,397	192,736	198
Use of money and property	1,725,318	1,718,654	0
Sale of property and compensation for loss	53,669	4,309	1146
Miscellaneous	1,178,960	1,203,066	-2
Total Revenues	114,491,169	111,436,148	3
Expenses			
General support	15,748,952	16,478,967	-4
Instruction	85,626,430	89,879,338	-5
Transportation	8,035,555	8,145,657	-1
Community service	54,000	86,952	-38
Debt service	2,125,656	2,500,922	-15
Cost of sales – Lunch Program	2,675,740	2,514,084	6
Total Expenses	114,266,333	119,605,920	-4
Total Change in Net Position	\$ 224,836	\$ (8,169,772)	103

REVENUES – TABLE A-4



EXPENDITURES – TABLE A-5



Governmental Activities

Revenue for the School District's governmental activities totaled \$114,491,169 while total expenses were \$114,266,333. Accordingly, net position increased by \$224,836.

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

Table A-6

Net Cost of Governmental Activities

	Total Cost of Services		% Change (Incr.; -Decr.)	Net Cost of Services		% Change (Incr.; -Decr.)
	2025	2024		2025	2024	
General support	\$ 15,748,952	\$ 16,478,967	-4%	\$ 15,748,952	\$ 16,478,967	-4%
Instruction	85,626,430	89,879,338	-5%	82,024,181	85,955,575	-5%
Pupil transportation	8,035,555	8,145,657	-1%	8,035,555	8,145,657	-1%
Community service	54,000	86,952	-38%	54,000	86,952	-38%
Debt service - interest	2,125,656	2,500,922	-15%	2,125,656	2,500,922	-15%
Cost of sales - lunch program	2,675,740	2,514,084	6%	164,157	365,589	-55%
Totals	\$ 114,266,333	\$ 119,605,920	-4%	\$ 108,152,501	\$ 113,533,662	-5%

- The cost of all governmental activities for the year was \$114,266,333.
- The users of the School District's programs financed \$791,234 of the costs.
- The federal and state government grants financed \$5,322,598.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of this fund was \$20,594,122 of which \$3,680,523 (or 3.34% of the ensuing year's budget) was unassigned.

New York State Law limits the amount of unassigned fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. The District was within this limit.

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

General Fund Budgetary Highlights

	Results vs. Budget			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Fav; (Unfav)
REVENUES				
Local Sources	\$ 67,089,000	\$ 67,099,066	\$ 66,871,011	\$ (228,055)
State Sources	38,315,996	38,315,996	38,992,790	676,794
Federal Sources	225,000	225,000	574,397	349,397
Total Revenues	105,629,996	105,640,062	106,438,198	798,136
OTHER FINANCING SOURCES				
Transfers from other funds	0	0	5,526	5,526
Total Revenues and Other Financing Sources	105,629,996	105,640,062	106,443,724	803,662
EXPENDITURES				
General Support	11,602,828	12,022,437	10,652,244	1,370,193
Instruction	54,659,644	55,375,732	54,371,171	1,004,561
Pupil Transportation	5,098,551	5,740,846	5,534,058	206,788
Community Services	90,176	54,001	54,000	1
Employee Benefits	28,511,649	27,230,043	26,846,737	383,306
Debt Service	1,072,384	1,072,384	1,072,381	3
Total Expenditures	101,035,232	101,495,443	98,530,591	2,964,852
OTHER USES				
Transfers Out	6,144,764	6,189,764	6,185,938	3,826
Total Expenditures and Other Uses	107,179,996	107,685,207	104,716,529	\$ 2,968,678
Revenues Over (Under) Expenditures and Other Uses	(1,550,000)	(2,045,145)	1,727,195	
Beginning Fund Balance	18,866,927	18,866,927	18,866,927	
Ending Fund Balance	\$ 17,316,927	\$ 16,821,782	\$ 20,594,122	

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had \$101,543,900 (net of depreciation and amortization) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (Net of Accumulated Depreciation and Amortization)

	Fiscal Year 2025	Fiscal Year 2024
Land, buildings and improvements	\$ 177,181,581	\$ 176,164,466
Machinery and equipment, vehicles	15,086,058	14,074,715
Right to use assets	95,401	92,843
Accumulated amortization	(92,949)	(89,212)
Accumulated depreciation	(90,726,191)	(87,914,122)
Totals	\$ 101,543,900	\$ 102,328,690

Long-Term Debt

As of June 30, 2025, the School District had \$255,845,776 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding long-term debt

	Fiscal Year 2025	Fiscal Year 2024
General obligation bonds (financed with property taxes)	\$ 45,755,557	\$ 49,754,542
All other debt	210,090,219	218,137,002
Totals	\$ 255,845,776	\$ 267,891,544

During 2025, the School District paid down its debt by retiring \$3,847,346 of outstanding bonds. Other debt is comprised of compensated absences, claims payable and other post-employment benefits.

FACTORS BEARING ON THE DISTRICT’S FUTURE

Tariffs and Inflation

Going forward, there is great uncertainty concerning the impact of proposed tariffs. Many products that the District uses are produced outside of the United States and of special concern is the impact on the cost of school buses.

Inflation continues to be a major concern as it impacts both what the District purchases and salary expectations. Inflation and tariffs are an immediate concern for IT equipment such as computers. If necessary, the District is preparing steps to scale back or freeze certain expenses to offset the impact of tariffs.

Tax Base Growth

The District continues to see strong growth in the tax base from new construction, and has one of the highest Tax Base Growth Factors (2.4%) in the region. This growth has not resulted in an increased student population but rather the District continues to see a decreasing student population.

Student Enrollment

Student enrollment continues to decline. This will have long term impacts on the District and upstate New York. In the short term, this has allowed the District to reduce staffing without impacting program offerings to students.

Global Foundries

The payments in lieu of taxes (PILOT) paid by Global Foundries is a key issue affecting the District’s financial condition. In regard to the Global Foundries PILOT, taxable value of the plant continues to decrease by approximately \$43,375,000 per year, which is causing PILOT payment decreases of approximately \$700,000 to \$800,000 in a typical year.

Federal legislation meant to incentivize chip plant construction in the U.S. has been approved and will likely positively influence a decision by Global Foundries to add additional production space. Any such construction would fall under current PILOT and would benefit the District.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT TEAM

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

Ballston Spa Central School District
Attn: Brian Sirianni
Assistant Superintendent for Business and Support Services
70 Malta Avenue
Ballston Spa, NY 12020
(518) 884-7195

BALLSTON SPA CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS

Cash	
Unrestricted	\$ 9,688,018
Restricted	15,408,499
Receivables	
State and federal aid	4,238,343
Other receivables	319,373
Inventories	12,378
Net pension asset - proportionate share	6,497,125
Right to use assets, net of amortization	2,452
Capital assets, net of depreciation	101,541,448
Total Assets	137,707,636

DEFERRED OUTFLOWS OF RESOURCES

Pensions	17,932,240
Other post-employment benefits	5,226,904
Total Deferred Outflows of Resources	23,159,144

LIABILITIES

Payables	
Accounts payable	1,122,624
Accrued liabilities	710,505
Accrued interest payable	200,828
Unearned grant revenue	57,137
Due to other governments	531
Bond anticipation notes payable	3,640,000
Long-term liabilities	
Due and payable within one year	
Due to Employees' Retirement System	503,420
Due to Teachers' Retirement System	4,580,430
Bonds payable	3,675,000
Compensated absences payable	627,089
Due and payable after one year	
Bonds payable	40,033,405
Other post-employment benefits	207,066,665
Workers' compensation payable	662,601
Net pension liability - proportionate share	5,302,708
Compensated absences payable	1,733,864
Total Liabilities	269,916,807

DEFERRED INFLOWS OF RESOURCES

Pensions	8,501,427
Other post-employment benefits	25,353,082
Deferred bond premium	2,047,152
Total Deferred Inflows of Resources	35,901,661

NET POSITION

Net investment in capital assets	52,796,193
Restricted	
Employee benefit accrued liability reserve	110,374
Reserve for debt service	686,435
Unemployment insurance reserve	275,937
Retirement contribution reserve fund - ERS	1,857,727
Retirement contribution reserve fund - TRS	2,955,883
Workers' compensation reserve fund	1,461,388
Capital reserve	7,750,136
Tax certiorari reserve	310,619
Unrestricted	(213,156,380)
Total Net Position	\$ (144,951,688)

See notes to basic financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants</u>	<u>Changes in</u>
				<u>Net Position</u>
FUNCTIONS/PROGRAMS				
General support	\$ 15,748,952	\$ 0	\$ 0	\$ (15,748,952)
Instruction	85,626,430	(598,757)	(3,003,492)	(82,024,181)
Pupil transportation	8,035,555	0	0	(8,035,555)
Debt service	2,125,656	0	0	(2,125,656)
Community service	54,000	0	0	(54,000)
School lunch program	2,675,740	(192,477)	(2,319,106)	(164,157)
Total Functions and Programs	<u>\$ 114,266,333</u>	<u>\$ (791,234)</u>	<u>\$ (5,322,598)</u>	<u>(108,152,501)</u>
GENERAL REVENUES				
Real property taxes				60,412,733
Other tax items				3,301,245
Use of money and property				1,725,318
Sale of property and compensation for loss				53,669
Miscellaneous				1,178,960
State sources				41,131,015
Federal sources				574,397
Total General Revenues				<u>108,377,337</u>
CHANGE IN NET POSITION				224,836
TOTAL NET POSITION - BEGINNING OF YEAR, AS RESTATED				<u>(145,176,524)</u>
TOTAL NET POSITION - END OF YEAR				<u>\$ (144,951,688)</u>

See notes to basic financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2025

	General	Special Aid	School Lunch	Debt Service	Capital	CM Misc. Special Revenue	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	\$ 8,074,286	\$ 168,707	\$ 614,061	\$ 0	\$ 647,850	\$ 183,114	\$ 9,688,018
Restricted	14,722,064	0	0	686,435	0	0	15,408,499
Due from other funds	1,615,782	1,463	10	0	0	0	1,617,255
State and federal aid receivable	2,628,333	1,454,484	155,526	0	0	0	4,238,343
Other receivables	319,373	0	0	0	0	0	319,373
Inventories	0	0	12,378	0	0	0	12,378
TOTAL ASSETS	\$ 27,359,838	\$ 1,624,654	\$ 781,975	\$ 686,435	\$ 647,850	\$ 183,114	\$ 31,283,866
LIABILITIES							
Accounts payable	\$ 949,011	\$ 9,207	\$ 159,456	\$ 0	\$ 4,950	\$ 0	\$ 1,122,624
Accrued liabilities	708,621	1,884	0	0	0	0	710,505
Unearned revenues	22,761	5,301	29,075	0	0	0	57,137
Due to other funds	1,473	1,608,262	0	0	7,520	0	1,617,255
Bond anticipation notes payable	0	0	0	0	3,640,000	0	3,640,000
Due to other governments	0	0	531	0	0	0	531
Due to Employees' Retirement System	503,420	0	0	0	0	0	503,420
Due to Teachers' Retirement System	4,580,430	0	0	0	0	0	4,580,430
Total Liabilities	6,765,716	1,624,654	189,062	0	3,652,470	0	12,231,902
FUND BALANCE							
Nonspendable							
Inventory	0	0	12,378	0	0	0	12,378
Restricted							
Employee benefit accrued liability reserve	110,374	0	0	0	0	0	110,374
Reserve for debt service	0	0	0	686,435	0	0	686,435
Unemployment insurance reserve	275,937	0	0	0	0	0	275,937
Retirement contribution reserve fund - ERS	1,857,727	0	0	0	0	0	1,857,727
Retirement contribution reserve fund - TRS	2,955,883	0	0	0	0	0	2,955,883
Workers' compensation reserve fund	1,461,388	0	0	0	0	0	1,461,388
Capital reserve	7,750,136	0	0	0	0	0	7,750,136
Tax certiorari reserve	310,619	0	0	0	0	0	310,619
Assigned	2,191,535	0	580,535	0	1,521	183,114	2,956,705
Unassigned	3,680,523	0	0	0	(3,006,141)	0	674,382
Total Fund Balance	20,594,122	0	592,913	686,435	(3,004,620)	183,114	19,051,964
TOTAL LIABILITIES AND FUND BALANCE	\$ 27,359,838	\$ 1,624,654	\$ 781,975	\$ 686,435	\$ 647,850	\$ 183,114	\$ 31,283,866

See notes to basic financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**

FOR THE YEAR ENDED JUNE 30, 2025

Total fund balance - governmental funds balance sheet (page 16)	\$ 19,051,964
Add:	
Pensions	10,625,230
Right to use assets, net of accumulated depreciation	2,452
Land, building and equipment, net of accumulated depreciation	101,541,448
Total	112,169,130
Deduct:	
Compensated absences	2,360,953
Other post-employment benefits	227,192,843
Accrued interest payable	200,828
Workers' compensation payable	662,601
Deferred bond premium	2,047,152
Bonds payable	43,708,405
Total	276,172,782
NET POSITION, GOVERNMENTAL ACTIVITIES	<u><u>\$ (144,951,688)</u></u>

See notes to basic financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Lunch	Debt Service	Capital	CM Misc. Special Revenue	Total Governmental Funds
REVENUES							
Real property taxes	\$ 60,412,733	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,412,733
Other tax items	3,301,245	0	0	0	0	0	3,301,245
Charges for services	598,757	0	0	0	0	0	598,757
Use of money and property	1,604,931	0	134	120,150	0	103	1,725,318
Sale of property and compensation for loss	53,669	0	0	0	0	0	53,669
Miscellaneous	899,676	0	6,126	0	0	279,284	1,185,086
State sources	38,992,790	2,138,225	963,035	0	0	0	42,094,050
Federal sources	574,397	3,003,492	1,155,440	0	0	0	4,733,329
Surplus food	0	0	194,505	0	0	0	194,505
Sales - school lunch	0	0	192,477	0	0	0	192,477
Total Revenues	106,438,198	5,141,717	2,511,717	120,150	0	279,387	114,491,169
EXPENDITURES							
General support	10,652,244	0	0	0	0	281,696	10,933,940
Instruction	54,371,171	4,599,445	0	0	0	0	58,970,616
Pupil transportation	5,534,058	0	0	0	0	0	5,534,058
Community service	54,000	0	0	0	0	0	54,000
Employee benefits	26,846,737	735,837	0	0	0	0	27,582,574
Debt service							
Principal	957,346	0	0	3,835,000	0	0	4,792,346
Interest	115,035	0	0	2,166,108	0	0	2,281,143
Cost of sales	0	0	2,466,077	0	0	0	2,466,077
Capital outlay	0	0	0	0	1,990,534	0	1,990,534
Total Expenditures	98,530,591	5,335,282	2,466,077	6,001,108	1,990,534	281,696	114,605,288
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,907,607	(193,565)	45,640	(5,880,958)	(1,990,534)	(2,309)	(114,119)
OTHER FINANCING SOURCES AND USES							
Operating transfers in	5,526	193,565	10	6,249,094	0	0	6,448,195
Operating transfers (out)	(6,185,938)	0	0	0	(262,257)	0	(6,448,195)
BANs redeemed from appropriations	0	0	0	0	945,000	0	945,000
Total Other Financing Sources (Uses)	(6,180,412)	193,565	10	6,249,094	682,743	0	945,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	1,727,195	0	45,650	368,136	(1,307,791)	(2,309)	830,881
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	18,866,927	0	547,263	318,299	(1,696,829)	185,423	18,221,083
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 20,594,122	\$ 0	\$ 592,913	\$ 686,435	\$ (3,004,620)	\$ 183,114	\$ 19,051,964

See notes to basic financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2025

REVENUES

Governmental funds \$ 114,491,169

EXPENDITURES

\$ 114,605,288

Add:

Depreciation 4,169,434

Amortization 3,737

Accrued interest 200,828

Increase in claims payable 480,654

Increase in other post-employment benefits 4,654,714

9,509,367

Deduct:

Principal payments of long-term debt 3,847,346

Amortization of bond premium 151,639

Pensions 1,142,429

Prior year accrued interest 204,676

BANs redeemed from appropriations 945,000

Decrease in compensated absences 168,851

Change in right to use assets 2,558

Change in fixed assets 3,385,823

9,848,322

EXPENDITURES - STATEMENT OF ACTIVITIES

114,266,333

CHANGE IN NET POSITION

\$ 224,836

See notes to basic financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for these funds in the Miscellaneous Special Revenue Fund.

B. Joint Venture

The District is one of 31 component districts in the Washington-Saratoga-Warren-Hamilton-Essex Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs 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.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

B. Joint Venture – (Continued)

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

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

During the year, the District was billed \$5,578,617 for BOCES administrative and program costs.

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

The District's share of BOCES aid amounted to \$2,338,118.

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

C. Basis of Presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

C. Basis of Presentation – (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

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

Special Revenue Funds – These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, child nutrition or 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.

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

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

Debt Service Fund – This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligation debt of governmental activities.

D. Measurement Focus and Basis of Accounting

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year as it matches the liquidation of related obligations.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

E. Property Taxes

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

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

F. Restricted Resources

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

G. Interfund Transactions

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

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. Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

H. Estimates

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

I. Cash (and Cash Equivalents)/Investments

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

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

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

Investments are stated at fair value.

J. Accounts Receivable

Accounts receivable are shown net of an allowance for doubtful accounts. Allowances are reported when accounts are considered to be uncollectible. The allowance at June 30, 2025 is \$-0-.

K. Inventories and Prepaid Items

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

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

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

L. Capital Assets

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 10,000	Straight-line	20 – 50
Machinery and equipment	10,000	Straight-line	5 – 20

M) Right to Use Assets

Right to use assets are reported at actual cost or estimated historical cost. Right to use assets are amortized using the straight-line method over the estimated useful life of the asset. All right to use assets are furniture and equipment which are amortized over a 3-5 year period.

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

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

N. Deferred Outflows and Inflows of Resources – (Continued)

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

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
District's proportionate share of the net pension asset (liability)	\$ (5,302,708)	\$ 6,497,125
District's portion of the Plan's total net pension asset (liability)	0.0309273%	0.217761%
District's proportion since the prior measurement date	(0.0022655)%	(0.00377)%

For the year ended June 30, 2025, the District recognized its proportionate share of pension expense of \$1,160,742 for ERS and \$3,573,551 for TRS. At June 30, 2025 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	<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	\$ 1,316,168	\$ 6,996,210	\$ 62,084	\$ 0
Changes of assumptions	222,385	3,886,597	0	653,762
Net difference between projected and actual earnings on pension plan investments	416,036	0	0	7,218,859
Changes in proportion and differences between the District's contributions and proportionate share of contributions	144,639	252,280	237,580	329,142
District's contributions subsequent to the measurement date	503,420	4,194,505	0	0
Total	<u>\$ 2,602,648</u>	<u>\$ 15,329,592</u>	<u>\$ 299,664</u>	<u>\$ 8,201,763</u>

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

N. Deferred Outflows and Inflows of Resources – (Continued)

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

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

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2026	\$ 889,644	\$ 7,919,096
2027	1,359,919	(1,338,558)
2028	(453,288)	(1,478,071)
2029	3,288	874,205
2030	0	342,913
Thereafter	0	0

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.9%	6.95%
Salary scale	4.3%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 System's experience	July 1, 2015 - June 30, 2020 System's experience
Inflation rate	2.9%	2.40%
Projected cost of living adjustments	1.5%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 through March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 through June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

N. Deferred Outflows and Inflows of Resources – (Continued)

Actuarial Assumptions – (Continued)

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

Measurement date	<u>ERS</u> March 31, 2025	<u>TRS</u> June 30, 2024
<u>Asset type</u>		
Domestic equity	354%	6.60%
International equity	6.57	7.40
Global equities	0	6.90
Real estate	4.95	6.30
Domestic fixed income securities	0	2.60
Global bonds	0	2.50
High-yield bonds	0	4.80
Real estate debt	0	3.90
Private debt	0	5.90
Fixed income	2.00	0
Credit	5.40	0
Private equity/alternative investments	7.25	10.00
Opportunistic/ARS portfolio	5.25	0
Cash	0.25	0.50
Real assets	5.55	0

Discount Rate

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

N. Deferred Outflows and Inflows of Resources – (Continued)

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

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

	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
<u>ERS</u>			
District's proportionate share of the net pension asset (liability)	\$ (15,346,705)	\$ (5,302,708)	\$ 3,084,036
	<u>1% Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
<u>TRS</u>			
District's proportionate share of the net pension asset (liability)	\$ (30,010,594)	\$ 6,497,125	\$ 37,201,096

Pension Plan Fiduciary Net Position

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

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

N. Deferred Outflows and Inflows of Resources – (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$503,420.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amount to \$4,580,430.

Additional pension information can be found in Note 9.

O. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized. The District had unearned revenue in the amount of \$57,137 at June 30, 2025.

P. Vested Employee Benefits

Compensated Absences

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

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

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

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

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

Q. Other Benefits

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

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

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

R. Short-Term Debt

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

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

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

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

District-Wide Statments

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

i) Net Investment in Capital Assets

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

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of \$12,378.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

T. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted

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

Currently Utilized by the District:

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee 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. The reserve is accounted for in the General Fund under Restricted Fund Balance.

Unemployment Insurance

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

Retirement Contributions

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

T. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Workers' Compensation

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

Debt Service

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

Capital

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

Tax Certiorari

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

T. Equity Classifications – (Continued)

Funds Statements – (Continued)

3. Committed

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

4. Assigned

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

5. Unassigned

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

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

Order of Use of Fund Balance

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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 standards issued by GASB:

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

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

V. Future Changes in Accounting Standards

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

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

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

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

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

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

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

i) Long-Term Revenue and Expense Differences

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

ii) Capital Related Differences

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

iii) Long-Term Debt Transaction Differences

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

iv) Pension Differences

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

v) OPEB Differences

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the year were \$10,066 in gifts and donations.

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

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

Encumbrances

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

Capital Projects Fund Deficit

The Capital Projects Fund had a deficit fund balance of \$3,004,620. This will be funded when the District pays down its short-term financing on its bus purchases.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

As of June 30, 2025, all District bank balances were collateralized with a third-party bank with the collateral held in the District's name.

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

Uncollateralized	\$	0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name		10,989,956

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$15,408,499 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in foreign currency and is not exposed to foreign currency risk.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Capital assets that are not depreciated:				
Land	\$ 1,541,204	\$ 0	\$ 0	\$ 1,541,204
Total nondepreciable historical cost	<u>1,541,204</u>	<u>0</u>	<u>0</u>	<u>1,541,204</u>
Capital assets that are depreciated:				
Buildings and improvements	174,623,262	1,017,115	0	175,640,377
Machinery and equipment	4,261,540	434,313	582,312	4,113,541
Vehicles	9,813,175	1,934,395	775,053	10,972,517
Total depreciable historical cost	<u>188,697,977</u>	<u>3,385,823</u>	<u>1,357,365</u>	<u>190,726,435</u>
Less accumulated depreciation:				
Buildings, machinery and equipment	<u>87,914,122</u>	<u>4,169,434</u>	<u>1,357,365</u>	<u>90,726,191</u>
Total accumulated depreciation	<u>87,914,122</u>	<u>4,169,434</u>	<u>1,357,365</u>	<u>90,726,191</u>
Net depreciable historical cost	<u>100,783,855</u>	<u>(783,611)</u>	<u>0</u>	<u>100,000,244</u>
Right to use assets that are amortized:				
Machinery and equipment	92,843	2,558	0	95,401
Less accumulated amortization:				
Machinery and equipment	<u>89,212</u>	<u>3,737</u>	<u>0</u>	<u>92,949</u>
Net amortizable historical cost	<u>3,631</u>	<u>(1,179)</u>	<u>0</u>	<u>2,452</u>
 GRAND TOTAL	 <u><u>\$ 102,328,690</u></u>	 <u><u>\$ (784,790)</u></u>	 <u><u>\$ 0</u></u>	 <u><u>\$ 101,543,900</u></u>

Depreciation and amortization were allocated to the following programs as follows:

General support	\$ 572,686
Instruction	3,170,382
Pupil transportation	297,522
School lunch program	<u>132,581</u>
 TOTAL	 <u><u>\$ 4,173,171</u></u>

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 6 – SHORT-TERM DEBT

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

Interest paid	\$ 114,798
Less interest accrued in the prior year	(98,092)
Add interest accrued in the current year	<u>103,022</u>
TOTAL	<u>\$ 119,728</u>

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	9/12/2025	3.55%	\$ 0	\$ 3,640,000	\$ 0	\$ 3,640,000
BAN	9/13/2024	4.25%	2,915,000	0	2,915,000	0
TOTALS			<u>\$ 2,915,000</u>	<u>\$ 3,640,000</u>	<u>\$ 2,915,000</u>	<u>\$ 3,640,000</u>

NOTE 7 – LONG-TERM DEBT

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

Interest paid	\$ 2,166,345
Less interest accrued in the prior year	(106,584)
Add interest accrued in the current year	<u>97,806</u>
TOTAL EXPENSE	<u>\$ 2,157,567</u>

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payables	\$ 47,555,751	\$ 0	\$ 3,847,346	\$ 43,708,405	\$ 3,675,000
Plus - unamortized bond premium	2,198,791	0	151,639	2,047,152	0
Other liabilities:					
Other post-employment benefits	215,425,251	0	8,358,586	207,066,665	0
Claims payable	181,947	480,654	0	662,601	0
Compensated absences, net	2,529,804	0	168,851	2,360,953	627,089
TOTAL LONG-TERM LIABILITIES	<u>\$ 267,891,544</u>	<u>\$ 480,654</u>	<u>\$ 12,526,422</u>	<u>\$ 255,845,776</u>	<u>\$ 4,302,089</u>

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT – (CONTINUED)

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

<u>Description of Issue</u>	<u>Serial Bond</u>	<u>Serial Bond</u>	<u>Serial Bond</u>
Issue date	2016	2018	2023
Final maturity	2043	2033	2038
Interest rate	2-5%	2.75-3%	5.000%
Outstanding at year end	\$ 13,400,000	\$ 643,405	\$ 12,735,000

<u>Description of Issue</u>	<u>Serial Bond</u>	<u>Serial Bond</u>
Issue date	2012	2014
Final maturity	2032	2042
Interest rate	2-3.25%	3-5%
Outstanding at year end	\$ 1,260,000	\$ 15,670,000

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30:			
2026	\$ 3,675,000	\$ 1,974,934	\$ 5,649,934
2027	3,850,000	1,796,431	5,646,431
2028	2,870,000	1,379,791	4,249,791
2029	3,000,000	1,480,769	4,480,769
2030	3,130,000	1,346,375	4,476,375
2031 - 2035	12,998,405	4,788,250	17,786,655
2036 - 2040	10,330,000	1,997,250	12,327,250
2041 - 2043	3,855,000	248,273	4,103,273
TOTALS	\$ 43,708,405	\$ 15,012,073	\$ 58,720,478

Claims Payable

Claims payable reflects self-insured workers' compensation claim liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled and of claims that have been incurred, but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	2025	2024
Balance - beginning of year	\$ 181,947	\$ 255,190
Provision for claims and claims adjustment expenses	818,312	141,253
Claims and claims adjustment expenses paid	(337,658)	(214,496)
Balance - end of year	<u>\$ 662,601</u>	<u>\$ 181,947</u>

BALLSTON SPA CENTRAL SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2025****NOTE 8 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS**

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 1,615,782	\$ 1,473	\$ 5,526	\$ 6,185,938
Special Aid Fund	1,463	1,608,262	193,565	0
School Lunch Fund	10	0	10	0
Debt Service Fund	0	0	6,249,094	0
Capital Projects Fund	0	7,520	0	262,257
TOTALS	\$ 1,617,255	\$ 1,617,255	\$ 6,448,195	\$ 6,448,195

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

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

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

NOTE 9 – PENSION PLANS**General Information**

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

Plan Descriptions and Benefits Provided:**Teachers' Retirement System (TRS)**

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – PENSION PLANS – (CONTINUED)

Plan Descriptions and Benefits Provided: – (Continued)

Employees' Retirement System (ERS)

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

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

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

	<u>NYSTRS</u>	<u>NYSERS</u>
2025	\$ 4,194,505	\$ 1,621,335
2024	4,036,135	1,395,326
2023	4,268,157	1,060,513

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

Additional pension information can be found in Note 1 N.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

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

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collected bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits Provided

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	614
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>804</u>
Total	<u>1,418</u>

Net OPEB Liability:

The District's total OPEB liability of \$207,066,665 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2024.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.0% average, including inflation
Discount Rate	3.96%
Healthcare Cost Trend Rates	7.0% for 2024, decreasing 0.4% per year to an ultimate rate of 5.0% for 2030 and later years.

The discount rate was based on the Bond Buyer GO-20 municipal bond index.

Mortality rates were based on the RP-2014 mortality table with mortality projected to the current year to account for mortality improvement.

Changes in the Total OPEB Liability:

Balance at June 30, 2024	\$ 215,425,251
Changes for the year:	
Service cost	4,956,504
Interest	7,837,324
Changes in benefit terms	0
Differences between expected and actual experience	(7,521,107)
Changes in assumptions or other inputs	(8,257,994)
Benefit payments	<u>(5,373,313)</u>
Net changes	<u>(8,358,586)</u>
Balance at June 30, 2025	<u>\$ 207,066,665</u>

Changes in assumptions and other inputs reflect the following:

- Change in the discount rate from 3.65% in 2024 to 3.96% in 2025.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.96%) or 1 percentage point higher (4.96%) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 236,954,251	\$ 207,066,665	\$ 180,179,426

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0% decreasing to 4.0%) or 1 percentage point higher (8.0% decreasing to 6.0%) than the current healthcare cost trend rate:

	1% Decrease (6.0% Decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% Decreasing to 5.0%)	1% Increase (8.0% Decreasing to 6.0%)
Total OPEB Liability	\$ 180,264,749	\$ 207,066,665	\$ 236,285,974

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

For the year ended June 30, 2025 the District recognized OPEB expense of \$4,654,714. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 1,061,099
Changes of assumptions or other inputs	0	24,291,983
Expected benefit payments subsequent to the measurement date	<u>5,226,904</u>	<u>0</u>
Total	<u>\$ 5,226,904</u>	<u>\$ 25,353,082</u>

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

Fiscal Year Ending June 30:

2026	\$ 2,314,694
2027	(2,912,210)
2028	(2,194,028)
2029	(8,787,614)
2030	(7,651,930)
Thereafter	<u>(895,090)</u>
Total	<u>\$ (20,126,178)</u>

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 – RISK MANAGEMENT

General Information

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, errors and omissions and natural disasters, etc. The risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

Health Insurance

The District and neighboring school districts participate in the Washington-Saratoga-Warren-Hamilton-Essex Health Insurance Plan. The purpose of the Plan is to contract for group health insurance benefits in an efficient and economical manner. The Plan currently contracts with Empire Blue Cross and Blue Shield for health insurance coverage for its employees. The governance of the Plan rests in the Board of Trustees. A majority of the total number of trustees is required to take any actions. The District has transferred all related risk to the Plan. In addition, the District offers coverage from CDPHP and MVP through HMOs that are fully insured.

Workers' Compensation Plan

Effective July 1, 1992, the District elected to self-insure for workers' compensation benefits. The District purchases insurance to pay individual claims which exceed \$450,000 to a maximum of \$10 million. All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2025 have been recorded as other liabilities, see Note 7.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

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

NOTE 13 – TAX ABATEMENTS

The Town of Milton enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced \$20,125. The District received Payment in Lieu of Tax (PILOT) payment totaling \$30,482.

The Town of Malta enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District's property tax revenue was reduced \$1,125,996. The District received Payment in Lieu of Tax (PILOT) payment totaling \$3,099,661.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 14 – RESTATEMENT OF NET POSITION

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

	<u>Government- Wide Statement of Net Position</u>
Net Position, beginning of year as previously stated	\$ (143,551,273)
GASB Statement No. 101 implementation:	
Compensated Absences	<u>(1,625,251)</u>
Fund Balance/Net Position, beginning of year as restated	<u><u>\$ (145,176,524)</u></u>

NOTE 15 – SUBSEQUENT EVENTS

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Revenues	Final Budget Variance with Budgetary Actual Over (Under)
REVENUES:				
Local Sources				
Real property taxes	\$ 60,420,920	\$ 60,420,920	\$ 60,412,733	\$ (8,187)
Real property tax items	3,650,380	3,650,380	3,301,245	(349,135)
Charges for services	641,500	641,500	598,757	(42,743)
Use of money and property	1,330,000	1,330,000	1,604,931	274,931
Sale of property and compensation for loss	0	0	53,669	53,669
Miscellaneous	796,200	806,266	899,676	93,410
Interfund transfers	250,000	250,000	0	(250,000)
Total Local Sources	67,089,000	67,099,066	66,871,011	(228,055)
State Sources	38,315,996	38,315,996	38,992,790	676,794
Federal Sources	225,000	225,000	574,397	349,397
Total Revenues	105,629,996	105,640,062	106,438,198	798,136
OTHER FINANCING SOURCES				
Transfers from other funds	0	0	5,526	5,526
Total Revenues and Other Financing Sources	105,629,996	105,640,062	106,443,724	\$ 803,662

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Expenditures	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	13,695	14,275	11,601	\$ 0	\$ 2,674
Central administration	253,991	255,596	249,853	0	5,743
Finance	769,688	799,283	764,144	19,750	15,389
Staff	698,639	732,539	698,475	0	34,064
Central services	8,741,349	9,082,678	7,807,282	309,308	966,088
Special items	1,125,466	1,138,066	1,120,889	0	17,177
Instructional					
Instruction, administration and improvements	4,153,474	4,180,502	3,909,958	1,691	268,853
Teaching – regular school	29,348,315	29,342,267	29,070,912	2,037	269,318
Programs for children with handicapping conditions	12,556,852	12,577,610	12,375,650	4,399	197,561
Occupational education	960,360	952,360	949,001	0	3,359
Teaching - special school	147,750	141,909	117,798	0	24,111
Instructional media	2,287,399	2,838,115	2,705,691	0	132,424
Pupil services	5,205,494	5,342,969	5,242,161	641	100,167
Pupil Transportation	5,098,551	5,740,846	5,534,058	53,709	153,079
Community Services	90,176	54,001	54,000	0	1
Employee Benefits	28,511,649	27,230,043	26,846,737	0	383,306
Debt Service	1,072,384	1,072,384	1,072,381	0	3
Total Expenditures	101,035,232	101,495,443	98,530,591	391,535	2,573,317
Other Financing Uses					
Transfers to other funds	6,144,764	6,189,764	6,185,938	0	3,826
Total Expenditures and Other Uses	107,179,996	107,685,207	104,716,529	\$ 391,535	\$ 2,577,143
NET CHANGE IN FUND BALANCE	(1,550,000)	(2,045,145)	1,727,195		
FUND BALANCE – BEGINNING	18,866,927	18,866,927	18,866,927		
FUND BALANCE – ENDING	\$ 17,316,927	\$ 16,821,782	\$ 20,594,122		

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Measurement Date	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Total OPEB Liability								
Service cost	\$ 4,956,504	\$ 4,720,480	\$ 7,262,692	\$ 6,916,850	\$ 4,655,687	\$ 4,433,987	\$ 6,797,453	\$ 6,797,453
Interest	7,837,324	7,474,803	5,169,474	5,039,046	6,012,681	6,183,546	6,056,280	5,238,209
Change of benefit terms	0	0	0	0	0	0	0	0
Differences between expected and actual experience	(7,521,107)	0	5,699,970	0	10,788,576	0	(7,632,100)	0
Change of assumptions or other inputs	(8,257,994)	(3,163,614)	(40,320,765)	3,751,022	38,549,735	5,585,724	(7,337,028)	(18,386,991)
Benefit payments	<u>(5,373,313)</u>	<u>(4,797,600)</u>	<u>(4,632,712)</u>	<u>(4,494,203)</u>	<u>(4,360,969)</u>	<u>(5,227,445)</u>	<u>(5,075,190)</u>	<u>(4,451,921)</u>
Net change in total OPEB liability	(8,358,586)	4,234,069	(26,821,341)	11,212,715	55,645,710	10,975,812	(7,190,585)	(10,803,250)
Total OPEB Liability - beginning	<u>215,425,251</u>	<u>211,191,182</u>	<u>238,012,523</u>	<u>226,799,808</u>	<u>171,154,098</u>	<u>160,178,286</u>	<u>167,368,871</u>	<u>178,172,121</u>
Total OPEB Liability - ending	<u>\$ 207,066,665</u>	<u>\$ 215,425,251</u>	<u>\$ 211,191,182</u>	<u>\$ 238,012,523</u>	<u>\$ 226,799,808</u>	<u>\$ 171,154,098</u>	<u>\$ 160,178,286</u>	<u>\$ 167,368,871</u>
Covered-employee payroll	\$ 51,681,024	\$ 52,406,050	\$ 50,818,312	\$ 49,148,252	\$ 45,532,396	\$ 45,123,343	\$ 43,438,936	\$ 41,967,405
Total OPEB liability as a percentage of covered-employee payroll	400.66%	411.07%	415.58%	484.27%	498.11%	379.30%	368.74%	398.81%
Plan's fiduciary net position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net OPEB Liability	\$ 207,066,665	\$ 215,425,251	\$ 211,191,182	\$ 238,012,523	\$ 226,799,808	\$ 171,154,098	\$ 160,178,286	\$ 167,368,871

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, AND 2016

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0309273%	0.0331928%	0.0314451%	0.0306536%	0.0312714%	0.0304388%	0.0309464%	0.0304748%	0.0305022%	0.0309306%
District's proportionate share of the net pension liability (asset)	\$ 5,302,708	\$ 4,887,318	\$ 6,743,089	\$ (2,505,806)	\$ 31,138	\$ 8,060,363	\$ 2,192,649	\$ 983,557	\$ 2,866,051	\$ 4,964,452
District's covered-employee payroll	11,562,218	11,450,251	10,644,089	9,250,867	9,212,283	9,257,365	8,578,935	8,267,810	7,772,745	7,492,001
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	45.9%	42.7%	63.4%	27.1%	0.3%	87.1%	25.6%	11.9%	36.9%	66.3%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.217761%	0.221531%	0.223651%	0.214580%	0.217177%	0.216010%	0.215769%	0.215191%	0.215479%	0.221100%
District's proportionate share of the net pension liability (asset)	\$ (6,497,125)	\$ 2,533,393	\$ 4,291,625	\$ (37,184,602)	\$ 6,001,197	\$ (5,611,941)	\$ (3,901,679)	\$ (1,635,668)	\$ 2,307,867	\$ (23,070,157)
District's covered-employee payroll	42,245,371	44,926,270	41,833,802	42,290,867	36,707,057	36,861,874	36,675,452	35,778,513	34,669,705	33,897,568
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.4%	5.6%	10.3%	87.9%	16.3%	15.2%	10.6%	4.6%	6.7%	68.1%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%	110.50%

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

FOR THE YEARS ENDED JUNE 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017 AND 2016

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,621,335	\$ 1,395,326	\$ 1,060,513	\$ 1,252,323	\$ 1,325,274	\$ 1,145,261	\$ 1,172,389	\$ 1,160,100	\$ 1,155,949	\$ 1,176,178
Contributions in relation to the contractually required contribution	1,621,335	1,395,326	1,060,513	1,252,323	1,325,274	1,145,261	1,172,389	1,160,100	1,155,949	1,176,178
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$ 11,562,218	\$ 11,450,251	\$ 10,644,089	\$ 9,250,867	\$ 9,212,283	\$ 9,257,365	\$ 8,578,935	\$ 8,267,810	\$ 7,772,745	\$ 7,492,001
Contribution as a percentage of covered-employee payroll	14.02%	12.19%	9.96%	13.54%	14.39%	12.37%	13.67%	14.03%	14.87%	15.70%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,271,007	\$ 4,384,804	\$ 4,304,698	\$ 4,144,505	\$ 3,498,183	\$ 3,265,962	\$ 3,894,933	\$ 3,506,294	\$ 4,063,289	\$ 4,494,817
Contributions in relation to the contractually required contribution	4,271,007	4,384,804	4,304,698	4,144,505	3,498,183	3,265,962	3,894,933	3,506,294	4,063,289	4,494,817
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
District's covered-employee payroll	\$ 42,245,371	\$ 44,926,270	\$ 41,833,802	\$ 42,290,867	\$ 36,707,057	\$ 36,861,874	\$ 36,675,452	\$ 35,778,513	\$ 34,669,705	\$ 33,897,568
Contribution as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

ADOPTED BUDGET	\$ 107,179,996
ADDITIONS:	
Prior year's encumbrances	495,145
Donations	<u>10,066</u>
FINAL BUDGET	<u>\$ 107,685,207</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2025

2025-2026 voter-approved expenditure budget	\$ 110,305,520
Maximum allowed (4% of 2025-2026 budget)	4,412,221
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	2,191,535
Unassigned fund balance	<u>3,680,523</u>
Total unrestricted fund balance	<u>5,872,058</u>
Less:	
Appropriated fund balance	1,800,000
Encumbrances included in assigned fund balance	<u>391,535</u>
Total Adjustments	<u>2,191,535</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 3,680,523</u>
Actual percentage	3.34%

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2025

Project Title	Expenditures					Unexpended Balance	Methods of Financing			Fund Balances
	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total		Local Sources	State Aid	Proceeds of Obligations	
Buses 2019-2020	\$ 965,000	\$ 965,000	\$ 959,473	\$ 5,527	\$ 965,000	\$ 0	\$ 965,000	\$ 0	\$ 0	\$ 0
Buses 2020-2021	968,000	968,000	962,009	0	962,009	5,991	763,000	0	0	(199,009)
Buses 2021-2022	948,000	948,000	921,615	0	921,615	26,385	553,000	0	0	(368,615)
Buses 2022-2023	920,000	920,000	883,430	0	883,430	36,570	340,000	0	0	(543,430)
Buses 2023-2024	965,000	965,000	78,389	863,461	941,850	23,150	175,000	0	0	(766,850)
Buses 2024-2025	1,075,000	1,075,000	0	1,070,933	1,070,933	4,067	0	0	0	(1,070,933)
District Wide Capital Project 2018	23,980,000	23,980,000	23,723,269	256,731	23,980,000	0	9,285,000	0	14,695,000	0
District Wide Capital Project 2026	30,000	30,000	0	9,450	9,450	20,550	356	0	0	(9,094)
Bus Lift replacement	595,000	595,000	0	46,689	46,689	548,311	0	0	0	(46,689)
TOTALS	\$ 30,446,000	\$ 30,446,000	\$ 27,528,185	\$ 2,252,791	\$ 29,780,976	\$ 665,024	\$ 12,081,356	\$ 0	\$ 14,695,000	\$ (3,004,620)

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL ASSETS, NET		\$ 101,543,900
ADD:		
Unspent BAN proceeds	\$	647,850
DEDUCT:		
Bond anticipation note payable		3,640,000
Unamortized bond premium		2,047,152
Short-term portion of bonds payable		3,675,000
Long-term portion of bonds payable		<u>40,033,405</u>
		<u>49,395,557</u>
NET INVESTMENT IN CAPITAL ASSETS		<u>\$ 52,796,193</u>

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT
FEDERAL AWARD PROGRAM INFORMATION
(SINGLE AUDIT)

(UNIFORM GUIDANCE)

JUNE 30, 2025



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

To the President and the Other Members
of the Board of Education of the
Ballston Spa Central School District
Ballston Spa, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ballston Spa Central School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the President and the Other Members
of the Board of Education of the
Ballston Spa Central School District
Ballston Spa, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ballston Spa Central School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management of the District is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2025

BALLSTON SPA CENTRAL SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through NYS Education Department:			
Special Education Cluster:			
Special Education Grants to States	84.027	0032250816	\$ 1,034,369
Special Education Preschool Grants	84.173	0033250816	43,194
Total Special Education Cluster			1,077,563
Covid-19 Education Stabilization Funds:			
ARP, ESSER	84.425U	5880212700	966,119
ARP, ESSER, Learning Loss	84.425U	5884212700	249,391
ARP, ESSER, Homeless Children and Youth	84.425W	5218212700	14,902
Total Covid-19 Education Stabilization Funds			1,230,412
Title I Grants to Local Educational Agencies	84.010	0021252700	550,423
Title I Grants to Local Educational Agencies	84.010	0021242700	2,282
Total Title I Grants to Local Educational Agencies			552,705
Supporting Effective Instruction State Grants	84.367	0147252700	98,914
Supporting Effective Instruction State Grants	84.367	0147242700	578
Total Supporting Effective Instruction State Grants			99,492
English Language Acquisition State Grants	84.365	0293250029	1,317
Student Support and Academic Enrichment Program	84.424	0204252700	38,590
Student Support and Academic Enrichment Program	84.424	0204242700	3,413
Total Student Support and Academic Enrichment Program			42,003
Total U.S. Department of Education			3,003,492
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through NYS Education Department:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	Not Applicable	194,505
Cash Assistance			
School Breakfast Program	10.553	Not Applicable	239,778
National School Lunch Program	10.555	Not Applicable	64,738
Covid-19 National School Lunch Program, Supply Chain Assistance	10.555	Not Applicable	850,924
Total Child Nutrition Cluster			1,349,945
Total U.S. Department of Agriculture			1,349,945
TOTAL FEDERAL AWARDS EXPENDED			\$ 4,353,437

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

BALLSTON SPA CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2 – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the District had food commodities totaling \$12,378 in inventory.

NOTE 3 – SUBRECIPIENTS

No amounts were provided to subrecipients.

NOTE 4 – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a 14.6% indirect cost rate calculated by the New York State Education Department. There is no other indirect cost allocation plan in effect.

NOTE 5 – CLUSTERS

The Special Education Cluster consists of Special Education – Grants to States and Special Education – Preschool Grants.

The Child Nutrition Cluster consists of Food Distribution, School Breakfast Program, National School Lunch Program and Covid-19 National School Lunch Program, Supply Chain Assistance.

BALLSTON SPA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' opinion issued: Unmodified

Internal control over financial reporting:

Material weakness identified? _____ yes X no

Significant deficiency identified that is not considered to be material weakness? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

FEDERAL AWARDS

Internal control over major programs:

Material weaknesses identified? _____ yes X no

Significant deficiency identified that is not considered to be material weakness? _____ yes X none reported

Type of auditors' opinion(s) issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? _____ yes X no

Identification of major programs:

Name of Federal Program

Assistance Listing

Covid-19 Education Stabilization Funds

84.425

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 750,000

Auditee qualified as low risk?

X yes _____ no

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2025



INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Ballston Spa Central School District
Ballston Spa, New York

Report on the Audit of the Financial Statements

Opinion

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

Qualified Opinion

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

Basis for Qualified Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Basis of Accounting

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 15, 2025

BALLSTON SPA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2025

ASSETS	
Cash	<u>\$ 118,328</u>
TOTAL ASSETS	<u><u>\$ 118,328</u></u>
LIABILITIES AND CLUB BALANCES	
Club balances	<u>\$ 118,328</u>
TOTAL LIABILITIES AND CLUB BALANCES	<u><u>\$ 118,328</u></u>

See note to financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Balance</u> <u>July 1, 2024</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2025</u>
Senior High School:				
SGO	\$ 4,786	\$ 8,687	\$ 10,432	\$ 3,041
Music	10,321	35,617	35,908	10,030
NHS	5,595	1,360	1,207	5,748
Troupe	20,782	34,643	39,594	15,831
NYS sales tax	202	1,280	1,284	198
NCBI	833	0	833	0
Yearbook	12,181	6,597	11,015	7,763
Peer mentoring	727	204	330	601
Sponsor-a-Scholar	1,577	0	0	1,577
Outdoor club	3	0	0	3
Environmental	318	0	0	318
HS Ski	583	4,860	3,900	1,543
Biology club	167	0	0	167
Robotics club	8,720	11,851	8,188	12,383
Best Buddies	1,932	377	55	2,254
Anime/International	144	0	0	144
Science club	1,374	6,882	7,889	367
GSA Club	0	620	160	460
Class of 2024	89	0	89	0
Class of 2025	6,191	27,415	32,924	682
Class of 2026	6,590	3,064	1,934	7,720
Class of 2027	6,469	3,041	355	9,155
Class of 2028	0	4,471	0	4,471
Total Senior High School	89,584	150,969	156,097	84,456

See note to financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT**EXTRACLASSROOM ACTIVITY FUNDS****STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID****FOR THE YEAR ENDED JUNE 30, 2025**

	Balance			Balance
	July 1, 2024	Receipts	Disbursements	June 30, 2025
Middle School:				
Drama	19,756	51,434	62,083	9,107
RAD-Respect Admirable Decisions	257	0	257	0
FCCLA	65	0	0	65
Service	83	0	0	83
Ski club	1,285	4,428	3,900	1,813
Student council	611	1,783	1,467	927
Yearbook	6,033	0	47	5,986
National JR Honor	5,893	2,356	4,037	4,212
Best Buddies	11	257	268	0
NYS sales tax	50	0	0	50
8th Grade	935	16,276	13,731	3,480
Total Middle School	34,979	76,534	85,790	25,723
Elementary School:				
MT Student council	3,045	1	3,001	45
MA Student council	262	7,600	7,675	187
GC Student council	895	6,002	1,479	5,418
WR Student council	1,845	5,973	5,319	2,499
Total Elementary School	6,047	19,576	17,474	8,149
Total ECA Clubs	<u>\$ 130,610</u>	<u>\$ 247,079</u>	<u>\$ 259,361</u>	<u>\$ 118,328</u>

See note to financial statements.

BALLSTON SPA CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTE TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds of the Ballston Spa Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. However, since the Board of Education does exercise general oversight, these funds and their corresponding cash accounts are reflected in the Miscellaneous Special Revenue Fund of the basic financial statements of the District.

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

FORM OF BOND COUNSEL’S OPINION

September 10, 2026

The Board of Education of
Ballston Spa Central School District,
in the County of Saratoga, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Ballston Spa Central School District, (the “School District”), in the County of Saratoga, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the \$4,695,100 Bond Anticipation Note – 2026 (the “Note”), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,