

PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE

SERIAL BONDS

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

The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$1,685,931

NISKAYUNA CENTRAL SCHOOL DISTRICT SCHENECTADY, SARATOGA AND ALBANY COUNTIES, NEW YORK

GENERAL OBLIGATIONS

\$1,685,931 School District (Serial) Bonds, 2025 (the "Bonds")

Dated and Delivered: November 13, 2025

Due: October 15, 2026-2030

MATURITIES

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CSP</u>
2026	\$ 290,931	%	%	
2027	330,000			
2028	340,000			
2029	355,000			
2030	370,000			

The Bonds are general obligations of the Niskayuna Central School District, Schenectady, Saratoga and Albany Counties, New York (the "District" or "School District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount. See "TAX LEVY LIMITATION LAW" and "NATURE OF OBLIGATION" herein.

The Bonds are not subject to redemption prior to maturity.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or any integral multiple thereof, except for one necessary odd denomination which is or includes \$5,931 with respect to the 2026 maturity. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on October 15, 2026 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. If the Bonds are issued in registered certificated form, the Bonds will be denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination which is or includes \$5,931 with respect to the 2026 maturity, and the District will act as paying agent. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$1,685,931 and accrued interest, if any, on the total principal amount of the Bonds. A good faith deposit will not be required.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery at the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser, on or about November 13, 2025.

ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on October 30, 2025 by no later than 11:00 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 Bonds pursuant to the terms provided in the Notice of Private Competitive Bond Sale.

October 24, 2025

THIS OFFICIAL STATEMENT IS "DEEMED FINAL" BY THE DISTRICT FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF PRIVATE COMPETITIVE BOND SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED.

NISKAYUNA CENTRAL SCHOOL DISTRICT SCHENECTADY, SARATOGA AND ALBANY COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION



JESSICA LAFEX
President

KIMBERLY TULLY
Vice President

ELISABETH COCOCCIA
EHASUYI GOMES
HOWARD SCHLOSSBERG
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JUDITH TOMISMAN

* * * * *

CARL J. MUMMENTHEY
Superintendent

MATTHEW LEON
Assistant Superintendent for Business and Operations

TISHAWN TERRY-GARCIA
District Treasurer

CYNTHIA GAGNON
School District Clerk

GUERCIO & GUERCIO
School District Attorney

LAW OFFICES OF ANTHONY J. BROCK
School District Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

No person has been authorized by the Niskayuna 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 Bonds 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 the Niskayuna Central School District.

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PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051
<http://www.fiscaladvisors.com>

**OFFICIAL STATEMENT
OF THE
NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHENECTADY, SARATOGA AND ALBANY COUNTIES, NEW YORK
RELATING TO**

\$1,685,931 School District (Serial) Bonds, 2025

This Official Statement, which includes the cover page, has been prepared by the Niskayuna Central School District, Schenectady, Saratoga and Albany Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$1,685,931 principal amount of School District (Serial) Bonds, 2025 (the "Bonds").

The factors affecting the District's financial condition and the Bonds 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 Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

NATURE OF THE OBLIGATION

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

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE BONDS

Description of the Bonds

The Bonds 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 Bonds as required by the Constitution and laws of the State (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 Bonds and interest thereon, without limitation as to rate or amount. See “TAX LEVY LIMITATION LAW” herein.

The Bonds will be dated November 13, 2025 and will mature in the principal amounts as set forth on the inside cover page. The Bonds are not subject to redemption prior to maturity as described herein under the heading “No Optional Redemption” hereunder. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issued as registered bonds and may be registered, at the option of the purchaser, in the name of the purchaser or in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which, if so elected by the purchaser, will act as securities depository for the Bonds. If the Bonds are issued in book-entry form, individual purchases will be in the principal amount of \$5,000 or any integral multiple thereof, except for one necessary odd denomination which is or includes \$5,931 with respect to the 2026 maturity. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable on October 15, 2026 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” herein. If the Bonds are issued in registered certificated form, the Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination which is or includes \$5,931 with respect to the 2026 maturity, and the District will act as paying agent. The Bonds may not be converted into coupon bonds or be registered to bearer.

No Optional Redemption

The Bonds are not subject to redemption prior to maturity.

Purpose of Issue

The Bonds are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law, and a bond resolution adopted by the Board of Education on October 14, 2025 authorizing the issuance \$1,685,931 serial bonds to finance the purchase of buses.

The proceeds of the Bonds will provide \$1,685,931 of new monies for the aforementioned purpose.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds, if so requested. The Bonds 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.

DTC 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 3.6 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond and 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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond and Note documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Bonds 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 School 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 School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 School 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 Bonds 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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; (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 BONDS.

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 Bonds

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof, except for one necessary odd denomination which is or includes \$5,931 with respect to the 2026 maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on October 15, 2026 and semi-annually thereafter on April 15 and October 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

THE SCHOOL DISTRICT

General Information

The School District is located in the northeast corner of Schenectady County in New York's Capital District and includes portions of Saratoga and Albany Counties. The School District encompasses the majority of the Town of Niskayuna and minor portions of the Towns of Glenville, Colonie, and Clifton Park.

Major highways serving the area include Interstate Highways #87 (Northway) and #90 (New York State Thruway). Air service is provided by the Albany International Airport located in Colonie and rail passenger service is provided by Amtrak. The Capital District Transportation Authority provides bus service throughout the area.

The Town of Niskayuna is a professionally and scientifically oriented residential community with a number of large employers such as General Electric ("GE") Corporate Research and Development Center, the Knolls Atomic Power Laboratory, and Schenectady International, Inc. More than a dozen banks, as well as service-oriented financial institutions are also located within the boundaries of the School District or in bordering communities.

The area is also well represented with institutions of higher learning such as Union College, Rensselaer Polytechnic Institute, Russell Sage College, Skidmore College, and the State University of New York at Albany. Other private schools and community colleges are located within the region.

Source: District Officials.

Population

The current estimated population of the District is 24,178.

Source: U.S. Census, 2019-2023 American Community Survey 5-Year estimates.

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Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns and the Counties listed below. The figures set below with respect to such Towns and Counties 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 Counties are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Niskayuna	\$ 42,570	\$ 49,989	\$ 60,613	\$ 103,619	\$ 132,785	\$ 162,813
Glenville	31,363	37,436	46,864	84,760	100,013	120,985
Colonie	35,075	40,747	50,609	85,418	103,028	125,162
Clifton Park	38,846	52,956	68,225	103,404	133,110	155,954
Counties of:						
Schenectady	27,500	33,379	41,529	70,712	86,124	98,882
Albany	30,863	38,592	46,231	76,159	95,923	115,490
Saratoga	32,186	45,624	54,698	81,251	106,258	125,869
State of:						
New York	30,948	40,898	49,520	67,450	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau 2006-2010, 2016-2020 and 2019-2023 American Community Survey data.

Larger Employers

The larger employers located within the area in and around the District include:

<u>Company</u>	<u>Type</u>	<u>Number of Employees</u>
General Electric Company	Research and Development	3,000
Knolls Atomic Power Laboratory	Defense Industry	2,600
Niskayuna Central School District	Education	913
Momentive Performance Materials Group	Chemical Manufacturer	200
Environment One	Waste Management	200

Source: District officials.

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Unemployment Rate Statistics

Per capita income statistics are not available for the District as such. The smallest area for which such statistics are available, which includes the District, are Albany, Saratoga and Schenectady Counties. The figures set below with respect to such Counties and the State of New York are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Counties or State are necessarily representative of the District, or vice versa.

	<u>2018</u>	<u>2019</u>	<u>Annual Averages</u>		<u>2022</u>	<u>2023</u>	<u>2024</u>
			<u>2020</u>	<u>2021</u>			
Albany County	3.7%	3.5%	6.9%	4.5%	3.1%	3.3%	3.3%
Saratoga County	3.5	3.2	6.4	3.9	2.7	2.9	2.9
Schenectady County	4.0	3.7	7.7	5.0	3.4	3.5	3.7
New York State	4.1	3.9	9.8	7.1	4.3	4.1	4.3

	<u>2025 Monthly Figures</u>									
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>
Albany County	3.6%	3.8%	3.4%	2.7%	2.7%	3.0%	3.5%	3.8%	N/A	N/A
Saratoga County	3.4	3.6	3.2	2.4	2.3	2.5	2.9	3.1	N/A	N/A
Schenectady County	4.1	4.4	3.8	3.0	3.0	3.3	3.8	4.1	N/A	N/A
New York State	4.6	4.3	4.1	3.7	3.5	3.8	4.6	4.7	N/A	N/A

Note: Unemployment rates for the months of September and October of 2025 are not available as of the date of this Official Statement.

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

Form of School Government

Subject to the provisions of the State Constitution, the School District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the School District, and any special laws applicable to the School District. Under such laws, there is no authority for the School District to have a charter or adopt local laws.

The legislative power of the School District is vested in the Board of Education (the "Board"). Each year an election is held within the School District to elect one or more members to the Board. The Board consists of seven members with overlapping five-year terms. Therefore, as nearly as practicable, an equal number of members is elected to the Board each year.

During the first week in July of each year the Board meets for the purpose of reorganization. At that time an election is held within the Board to elect a President and Vice President and to appoint other School District officials.

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

Budgetary Procedures and Recent Budget Votes

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

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

Pursuant to Chapter 97 of the Laws of 2011 (“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 third 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 budget for the 2024-2025 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 1,021 to 562. The District’s adopted budget called for a tax levy increase of 2.00%, which was below the District’s maximum allowable tax levy increase of 2.08% for the 2024-2025 fiscal year.

The budget for the 2025-2026 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 968 to 621. The District’s adopted budget called for a tax levy increase of 2.29%, which was below the District’s maximum allowable tax levy increase of 3.58% for the 2025-2026 fiscal year.

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 deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with 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) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the 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 a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

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 is not authorized by State Law to invest in reverse repurchase agreements or similar derivative-type investments.

State Aid

The District receives financial assistance from the State. In its budget for the 2025-2026 fiscal year, approximately 36.87% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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”).

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. 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. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, twenty-eight (28) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal aid received by the State

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

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

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

Building Aid

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

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

timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District expects to receive State building aid of approximately 79.4% 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

School district fiscal year (2021-2022): The State's 2021-22 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 Budget provided \$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 Budget also programed \$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, is designed to assist 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 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 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 Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 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 Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established 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 was made to promote job readiness. An additional \$150 million was 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 Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Budget also authorizes 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 Budget includes approximately \$37 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 provides 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. The State's 2025-26 Budget also makes 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.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York 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 Campaign for Fiscal Equity 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 Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

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

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

The State's 2025-26 Budget also makes 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 the below fiscal years comprised of State aid.

Percentage of

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Total Revenues Consisting of State Aid</u>
2019-2020	\$85,923,339	\$23,710,512	27.59%
2020-2021	86,963,939	23,808,692	27.38
2021-2022	91,265,031	27,002,822	29.59
2022-2023	98,906,338	32,411,635	32.77
2023-2024	108,653,109	38,362,048	35.31
2024-2025	108,699,080	37,506,773	34.51
2025-2026 (Budgeted)	113,545,388 ⁽²⁾	41,869,257	36.87

⁽¹⁾ Does not include interfund transfers or premium on obligations issued.

⁽²⁾ Does not include \$2,575,893 of appropriated fund balance.

Source: Audited Financial Statements for the 2019-20 through 2024-25 fiscal years, and adopted budget figures for the 2025-2026 fiscal year. This table is not audited.

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Maximum Capacity</u>	<u>Year Built</u>	<u>Date of Last Addition/Alteration</u>
Birchwood Elementary	K-5	513	1964	2022
Craig Elementary	K-5	540	1948	2022
Glencliff Elementary	K-5	459	1955	2022
Hillside Elementary	K-5	567	1962	2022
Rosendale Elementary	K-5	567	1955	2022
Iroquois Middle School	6-8	764	1968	2023
Van Antwerp Middle School	6-8	575	1910	2018
High School	9-12	1,903	1957	2023

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-2022	4,226	2026-2027	4,491
2022-2023	4,403	2027-2028	4,540
2023-2024	4,377	2028-2029	4,589
2024-2025	4,396	2029-2030	4,639
2025-2026	4,248	2030-2031	4,685

Source: School District officials.

Employees

The District employs a total of 676 full-time and 160 part-time employees with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
429	Niskayuna Teachers' Association	6/30/2026
198	Niskayuna Educational Support Personnel Association	6/30/2028
147	Niskayuna School District Employee Association	6/30/2026
25	Niskayuna Education Sec. Association	6/30/2027
12	Niskayuna Administrators' Association	6/30/2027
12	Niskayuna Nurse Association	6/30/2026
13	Niskayuna Directors' Association	6/30/2027

Source: School 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 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 vest after five years of credited service. 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 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.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. 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 District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and budgeted figures for the budgeted figures for the 2025-2026 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 977,868	\$ 3,107,240
2021-2022	1,009,186	3,355,945
2022-2023	752,797	3,759,349
2023-2024	876,225	4,328,037
2024-2025	1,102,431	4,741,998
2025-2026 (Budgeted)	1,925,066	4,694,608

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have early retirement incentive programs for its employees.

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

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

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

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 the 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 provides local governments and school districts, 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 rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will 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 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.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes 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 and funded such a TRS Reserve, and has additionally established and funded an ERS Reserve.

Other Post-Employment 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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. 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 an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

Balance beginning at July 1:	2023	2024
	\$ 155,204,043	\$ 159,855,380
<u>Changes for the year:</u>		
Service cost	4,627,829	4,707,281
Interest	6,512,375	6,813,753
Differences between expected and actual experience	(133,909)	(3,448,713)
Changes of benefit terms	-	11,159
Changes in assumptions or other inputs	(2,016,568)	(14,408,642)
Benefit payments	(4,338,390)	(5,488,173)
Net Changes	\$ 4,651,337	\$ (11,813,335)
Balance ending at June 30:	2024	2025
	\$ 159,855,380	\$ 148,042,045

Note: The above table is not audited. 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 the process of complying with the procedure for the publication of the estoppel notice with respect to the Bonds, as provided in Title 6 of Article 2 of the Local Finance Law. The estoppel period will be completed by the closing of the Bonds.

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.

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.

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

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

The State Comptroller's Fiscal Stress Monitoring System

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

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible 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 below fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0

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

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TAX INFORMATION

Taxable Assessed Valuation

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Niskayuna	\$ 2,196,613,285	\$ 2,204,055,210	\$ 2,242,373,494	\$ 2,222,074,357	\$ 2,234,939,964
Glenville	193,168,537	194,430,950	196,188,842	194,833,100	194,667,554
Colonie	138,772,817	137,796,745	141,847,194	137,489,210	140,419,680
Clifton Park	86,365,342	86,721,773	88,115,203	86,599,022	86,500,738
Total Assessed Values	<u>\$ 2,614,919,981</u>	<u>\$ 2,623,004,678</u>	<u>\$ 2,668,524,733</u>	<u>\$ 2,640,995,689</u>	<u>\$ 2,656,527,936</u>

State Equalization Rates

Towns of:					
Niskayuna	96.00%	89.00%	79.00%	75.00%	67.50%
Glenville	85.00%	75.00%	68.00%	61.00%	55.00%
Colonie	59.00%	55.75%	51.00%	48.00%	43.70%
Clifton Park	51.00%	46.00%	39.00%	37.00%	36.00%

Taxable Full Valuation

Towns of:					
Niskayuna	\$ 2,288,138,839	\$ 2,476,466,528	\$ 2,838,447,461	\$ 2,962,765,809	\$ 3,311,022,169
Glenville	227,257,102	259,241,267	288,513,003	319,398,525	353,941,007
Colonie	235,208,164	247,169,049	278,131,753	286,435,854	321,326,499
Clifton Park	169,343,808	188,525,593	225,936,418	234,051,411	240,279,828
Total Taxable Full Valuation	<u>\$ 2,919,947,913</u>	<u>\$ 3,171,402,438</u>	<u>\$ 3,631,028,635</u>	<u>\$ 3,802,651,599</u>	<u>\$ 4,226,569,503</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:					
Niskayuna	\$ 20.20	\$ 27.37	\$ 28.24	\$ 21.42	\$ 21.90
Glenville	22.80	32.27	31.54	26.35	26.90
Colonie	33.34	44.67	43.18	34.14	34.51
Clifton Park	38.19	52.90	55.30	43.74	41.27

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>
Net Taxes on Roll	\$ 60,314,990	\$ 62,069,721	\$ 63,522,961	\$ 64,793,420	\$ 66,280,014
Less STAR Reimbursement	<u>3,124,162</u>	<u>2,889,149</u>	<u>2,645,062</u>	<u>2,419,692</u>	<u>2,232,157</u>
Total Taxes to be Collected	\$ 57,190,828	\$ 59,180,572	\$ 60,835,989	\$ 62,373,728	\$ 64,047,857
Tax Collected Prior to Return to County	\$ 56,027,128	\$ 57,726,634	\$ 59,317,156	\$ 60,926,658	N/A
Returned to County	\$ 1,163,700	\$ 145,338	\$ 1,558,304	\$ 1,505,625	N/A
% Collected Prior to Return	97.97%	97.54%	97.50%	97.68%	N/A

Note: The District receives 100% of its tax levy each year. The amount of uncollected taxes for 2026 are unavailable as of the date of this Official Statement. See "Tax Collection Procedures" herein.

Source: District officials.

Tax Collection Procedure

School taxes are due September 1, payable during the month of September without penalty. Payments during the next 30 days are subject to a 2% penalty. No payments are accepted after November 1. Uncollected school taxes are turned over to the Counties after November 15 for collection with a penalty and additional interest added. The Counties reimburse the School District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 100% tax collection annually.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting Real Property Tax</u>
2019-2020	\$85,923,339	\$58,487,833	68.07%
2020-2021	86,963,939	59,669,288	68.61
2021-2022	91,265,031	60,443,791	66.23
2022-2023	98,906,338	62,404,286	63.09
2023-2024	108,653,109	64,046,220	58.95
2024-2025	108,699,080	65,337,264	60.11
2025-2026 (Budgeted)	113,545,388 ⁽²⁾	66,728,046	58.77

⁽¹⁾ Does not include interfund transfers or premium on obligations issued.

⁽²⁾ Does not include \$2,575,893 of appropriated fund balance.

Source: Audited Financial Statements for the 2019-20 through 2024-25 fiscal years, and adopted budget figures for the 2025-2026 fiscal year. This table is not audited.

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

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
General Electric Company	Research	\$217,199,900
Niagara Mohawk Power Corp.	Special Franchise Utility	31,911,700
GE Renewables North America	Research	23,593,300
Iroquois Development Group	Apartments	19,259,300
MSF Niskayuna, LLC	Shopping Center (Hannaford Plaza)	14,444,400
530 East 14th Street LLC	Shopping Center	14,074,100
Liberty Management Capital District	Health Building (Conifer Park)	13,363,636
968 Albany Shaker Road Assoc. LLC	Energy Manufacturer/Corporate Offices	12,585,800
B/A Investors LLC	Office/Professional	10,984,000
Cameo Estates	Apartments	10,963,000

The larger taxpayers listed above have a total taxable assessed valuation of \$368,379,136 which represents approximately 8.72% of the tax base of the School District.

As of the date of this Official Statement, the following have active tax certiorari claims:

- Niskayuna Consumers Co-Op
- Brookdale Senior Living Solutions
- 1805 Providence Ave., LLC
- ◆ Harriet Management, LLC
- ◆ Shri Hari, Inc
- ◆ KCP RE LLC c/o KinderCare Education
- ◆ General Electric Co
- ◆ MSF Niskayuna LLC

The Town of Niskayuna Assessor is unable to make any representations as to when these will be settled or how any final decision may affect the assessment. If the outcome is not in favor of the School District, the potential aggregate liability is expected to be approximately \$3,213,597. Litigation settlements may be financed if necessary, as provided in the Local Finance Law. See “LITIGATION” herein.

Source: School District Tax Rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$93,200 or less in 2023-2024 and \$98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 of the full value of a home for the 2023-2024 school year and the first \$84,000 of the full value of a home for the 2024-2025 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.

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are 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 received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to the COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provided \$2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the 2023-24 District tax roll for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Town of:			
Niskayuna	\$ 64,580	\$ 22,500	4/10/2025
Glenville	52,520	18,300	4/10/2025
Colonie	41,330	14,400	4/10/2025
Clifton Park	38,430	13,390	4/10/2025

\$2,645,062 of the District’s \$64,793,420 school tax levy for the 2024-2025 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

Approximately \$2,419,692 of the District’s \$66,280,014 school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

Real property located in the District is assessed by the Towns.

The estimated total annual property tax bill of a \$300,000 market value residential property located in the District is approximately \$7,925 including District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

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

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district’s calculation of each fiscal year’s tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System and the Teachers’ Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for “Capital Local Expenditures” subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. “Capital Local Expenditures”, are defined as “the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law”. The portion of the tax levy necessary to support “Capital Local Expenditures” is defined as the “Capital Tax Levy”, and is an exclusion from the tax levy limitation, and applicable to the Bonds.

See “State Aid” for a discussion of the *New Yorkers for Students’ Educational Rights v. State of New York* case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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 federal 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.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the School 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.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

The School 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.

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 has complied with this estoppel procedure in connection with the Notes.

The Board of Education, as the finance board of the School 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 School District, pursuant to the Local Finance Law.

The School District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the School District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 26,005,800	\$ 17,214,092	\$ 8,225,000	\$ 22,420,000	\$ 40,716,422
Bond Anticipation Notes	<u>0</u>	<u>26,100,000</u>	<u>42,100,000</u>	<u>38,550,000</u>	<u>35,915,000</u>
Total Debt Outstanding	<u>\$ 26,005,800</u>	<u>\$ 43,314,092</u>	<u>\$ 50,325,000</u>	<u>\$ 60,970,000</u>	<u>\$ 76,631,422</u>

Note: Table above does not include equipment lease purchase financing, which while not general obligation debt, does count towards the debt limit. See "Equipment Lease Purchases" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of October 24, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2040	\$ 40,415,000
<u>Bond Anticipation Notes</u>		
Capital Project	June 26, 2026	<u>35,915,000</u>
	Total Indebtedness	<u>\$ 60,970,000</u>

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of October 24, 2025:

Full Valuation of Taxable Real Property	\$ 4,226,569,503
Debt Limit 10% thereof	422,656,950

Inclusions:

Bonds.....	\$ 40,415,000	
Bond Anticipation Notes	35,915,000	
Principal of the Bonds	<u>1,685,931</u>	
Total Inclusions		<u>\$ 78,015,931</u>

Exclusions:

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

Total Net Indebtedness \$ 78,015,931

Net Debt-Contracting Margin \$ 344,641,019

The percent of debt contracting power exhausted is 18.46%⁽²⁾

⁽¹⁾ Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 79.4% 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.

⁽²⁾ Does not include equipment lease purchase financing. See "Equipment Lease Purchases" herein.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Capital Project Plans

District voters approved two capital project propositions on February 9, 2021 totaling \$79,018,000 for improvements across the District. Such improvements will consist of renovation and additions at the District's two middle schools, renovations at each of the District's five elementary schools to address health and safety infrastructure deficiencies, upgrading athletic facilities and other site improvements across the District. Construction began in December 2021 and is anticipated to be completed by 2026.

On May 24, 2022, the District approved two bond resolutions related to the propositions noted above, including authorizing the issuance of \$54,510,860 serial bonds and the expenditure of \$7,727,140 capital reserve funds for the first proposition for the cost of construction of additions to and reconstruction of various District buildings and facilities. The District issued \$26,100,000 bond anticipation notes on June 29, 2022 as the first borrowing against the authorization. On June 28, 2023, the District issued \$42,100,000 bond anticipation notes which renewed \$26,100,000 bond anticipation notes that matured on June 29, 2023 and provided \$16,000,000 of new money as the second borrowing against the authorization. On June 27, 2024 the District issued \$38,550,000 bond anticipation notes. A \$31,960,860 portion of the notes, along with available District funds, partially redeemed and renewed the bond anticipation notes that matured on June 28, 2024, and provided an additional \$12,410,860 in new monies for this purpose. The remainder of the bond anticipation notes were redeemed through the issuance of serial bonds through the Dormitory Authority of the State of New York. After the issuance of the notes on June 27, 2024, this authorization (the first of the propositions) is fully issued against.

The second bond resolution on May 24, 2022, related to the second proposition noted above, authorized the issuance of the remaining \$16,780,000 serial bonds for the reconstruction, renovation, site and other improvements at various District buildings and facilities. A \$6,589,140 portion of the notes issued on July 27, 2024 provided new monies for, and represented the first issuance against this authorization. The notes issued on June 26, 2025 provided \$9,700,860 new money against this authorization (the second of the propositions) is fully issued against.

The District received voter approval for a \$47.17 million capital project on February 13, 2024. The goal of the project is to complete the work at the middle school level that was not possible due to inflationary pressures and construction industry cost increases that affected the amount of work that could be accomplished with the authorization approved in 2021. This project will also include addressing critical infrastructure items and modest renovations districtwide. A large portion of the project is anticipated to be funded through the District's Capital Reserve and New York State Building Aid. The District issued notes on June 26, 2025 to provide \$10,000,000 new money as the initial borrowing against the 2024 authorization.

On March 12, 2024, the District approved a resolution to designate the abatement/mitigation work at Iroquois Middle School as an emergency condition that requires completion as soon as possible. At the same meeting, the District approved a second resolution for an emergency roof repair/replacement due to unforeseen circumstances of extreme weather that caused damage to the roof at Niskayuna High School. The Board of Education authorized the appropriation of necessary funds from the general fund as expenses necessary to preserve and protect the District's property and to ensure the continued education of students and the health and safety of students and staff.

On September 10, 2024, the District approved a resolution for emergency work at Van Antwerp Middle School for the immediate repair/replacement of the Gym floor, which is essential to preserve the District's property and to ensure the continued education of students and the health and safety of students and staff. The District will submit proposed plans for the emergency repair work to the New York State Education Department, Office of Facilities Planning ("SED") and has advised SED that such emergency repair work must be undertaken immediately. The Board of Education approved the appropriation of funds from the unreserved, unappropriated fund balance in an amount not to exceed \$115,000 for the purpose of repairing the Van Antwerp Middle School Gym floor.

The District issues serial bonds annually for the purpose of purchasing school buses. On May 20, 2025 District voters approved a \$1,685,931 authorization for the purchase of school buses. The Bond will provide \$1,685,931 of new money for the purchase of school buses.

The District is undergoing a Building Condition Survey and is planning a project to be put before the voters in early 2027. The ultimate size and scope of work is to be determined.

Bonded Debt Service

A schedule of bonded debt service, including the principal of the Bonds, may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes, nor budget deficiency notes, for cash flow purposes and has no plans to in the foreseeable future.

Equipment Lease Purchases

The School District leases various equipment, primarily from BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 45- 60 months. The School District also leases a building from under a ten year lease agreement.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$1,239,127	\$189,131	1,428,258
2027	880,735	144,754	1,025,489
2028	903,971	107,312	1,011,283
2029	722,733	71,667	794,400
2030	279,659	49,241	328,900
2031-2035	<u>1,362,520</u>	<u>100,764</u>	<u>1,463,284</u>
Total:	\$5,388,745	\$662,869	\$6,051,614

Source: Audited Financial Statements of the District for the fiscal year ended June 30, 2025 and District officials. The Table itself is not audited.

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 indebtedness of the respective municipalities is outlined in the table below.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Albany	12/31/2023 ⁽³⁾	\$ 265,995,000	\$ 55,705,000	\$ 210,290,000	0.78%	\$ 1,640,262
Saratoga	6/26/2025 ⁽³⁾	63,615,000	3,840,000	59,775,000	0.57%	340,718
Schenectady	6/26/2025 ⁽³⁾	63,615,000	3,840,000	59,775,000	21.91%	13,096,703
Town of:						
Colonie	6/18/2025 ⁽³⁾	144,562,782	33,545,412	111,017,370	2.19%	2,431,280
Clifton Park	6/26/2025 ⁽³⁾	4,473,000	382,190	4,090,810	3.46%	141,542
Glenville	6/20/2025 ⁽³⁾	7,009,164	4,011,451	2,997,713	9.06%	271,593
Niskayuna	6/28/2025 ⁽³⁾	34,391,071	7,121,525	27,269,546	84.71%	<u>23,100,032</u>
Total:						<u>\$ 41,022,130</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.

⁽²⁾ Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

⁽³⁾ Gross indebtedness, exclusions, and net indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of October 24, 2025.

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 78,015,931	\$ 3,226.73	1.85%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	119,038,061	4,923.40	2.82

^(a) The 2023 estimated population of the District is 24,178. (See "THE SCHOOL DISTRICT – District Population" herein.)

^(b) The District's full value of taxable real estate for 2025-2026 is \$4,226,569,503. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

^(c) See "Debt Statement Summary" herein.

^(d) Estimated net overlapping indebtedness is \$41,022,130. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept For School Districts. In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each note when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

Authority to File For Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as the Counties, Cities, Towns and Villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

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

MARKET AND RISK FACTORS

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

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. (See also "THE SCHOOL DISTRICT – State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, could have an impact upon the market price of the Bonds. See "TAX LEVY LIMITATION LAW" herein.

Current and future legislative proposals, if enacted into law, or clarification of the Internal Revenue Code of 1986, as amended (the “Code”) or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Bonds, or the tax status of interest on the Bonds. See “TAX MATTERS” herein.

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

TAX MATTERS

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

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

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

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds.

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

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

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

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

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver such opinion at the time of issuance of the Bonds substantially in the forms set forth in "APPENDIX – E" herein.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. 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.

There are currently tax certiorari claims requesting reduction of assessments pending. If the outcomes are not in favor of the District, the potential aggregate liability is expected to be approximately \$3,213,597. Litigation settlements may be financed if necessary, as provided in the Local Finance Law. (See “Ten Largest Taxpayers – 2025 Assessment Roll for the 2025-2026 District Tax Roll” herein.)

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the District

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into an Undertaking to provide Material Event Notices, a description of which is attached hereto as “APPENDIX – C”.

Historical Continuing Disclosure Compliance

The District has in the previous five years complied, in all material respects, with any previous undertakings pursuant to Securities Exchange Commission Rule 15c2-12, with the exception of the following:

- A material event notice was filed for the lease purchases for technology equipment as well as a failure to file such notice for the years 2019-2020. An additional material event notice was filed on June 22, 2021 in connection with the incurrence of a financial obligation on May 17, 2021. A material event notice was filed September 20, 2023 for the lease purchases for technology equipment, as well as a failure to file such notice, for the \$944,446 Technology Equipment lease dated April 24, 2023. On April 23, 2024, a material event notice along with a failure to file such notice was filed in connection with lease obligations entered into on April 19, 2022 and May 20, 2022. On April 24, 2024, a material event notice along with a failure to file such notes was filed in connection with a lease obligation entered into on July 23, 2021. On April 24, 2024, a material event notice along with a failure to file such notice was filed in connection with a lease obligation entered into on July 23, 2021.
- A material event notice was filed February 2, 2023 for the Audited Financial Statements for fiscal year ended June 30, 2022, which was not completed by the required filing date of six months after the end of the District’s fiscal year. The District did not receive the Audited Financial Statements in a timely manner from their Board-appointed Auditor. The District does not anticipate this being an issue in the future.

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 Bonds. The advice on the plan of financing and the structuring of the Bonds 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 Bonds.

CUSIP IDENTIFICATION NUMBERS

If the Bonds are issued in registered book-entry form, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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.

BOND RATING

The Bonds are not rated.

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 Bonds.

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 Bonds.

Orrick, Herrington & Sutcliffe 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 Bonds, 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 Bonds, 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 Bonds 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: Matt Leon, Assistant Superintendent of Business & Operations, Niskayuna Central School District, One Niskayuna Circle, Niskayuna, New York 12309-4381, Phone: (518) 377-4666, Fax: (518) 377-4074, Email: mleon@niskyschools.org.

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

NISKAYUNA CENTRAL SCHOOL DISTRICT

Dated: October 24, 2025

JESSICA LAFEX
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>					
Unrestricted Cash & Cash Equivalents	\$ 8,524,905	\$ 35,939,626	\$ 8,570,660	\$ 11,852,331	\$ 9,998,469
Restricted Cash & Cash Equivalents	14,035,302	9,308,929	14,752,232	12,750,008	12,711,685
Receivables	-	-	2,748,213	4,972,280	2,180,255
State and Federal Receivable, net	582,852	572,356	-	-	2,244,309
Due from Other Governments	839,574	885,416	-	-	2,317,343
Due from Other Funds	2,510,781	(23,526)	3,780,275	1,403,409	1,432,472
Accounts Receivable	465,396	183,292	-	-	-
Prepaid Items	-	-	92,537	-	297
	<u>-</u>	<u>-</u>	<u>92,537</u>	<u>-</u>	<u>297</u>
TOTAL ASSETS	<u>\$ 26,958,810</u>	<u>\$ 46,866,093</u>	<u>\$ 29,943,917</u>	<u>\$ 30,978,028</u>	<u>\$ 30,884,830</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 318,530	\$ 1,666,142	\$ 1,880,949	\$ 3,589,501	\$ 3,784,571
Accrued Liabilities	1,586,587	1,329,747	782,183	425,919	774,280
Due to Other Funds	-	23,643,570	232,039	-	-
Due to Other Governments	150,594	150,594	150,618	46,526	-
Due to Teachers' Retirement System	3,583,418	3,759,349	4,131,360	4,328,037	4,741,998
Due to Employees' Retirement System	278,928	191,026	219,056	275,608	333,050
Refundable Advances	152,346	132,520	185,325	164,285	-
Other Liabilities	75,280	65,631	94,979	98,878	64,545
	<u>6,145,683</u>	<u>30,938,579</u>	<u>7,676,509</u>	<u>8,928,754</u>	<u>9,698,444</u>
TOTAL LIABILITIES	<u>\$ 6,145,683</u>	<u>\$ 30,938,579</u>	<u>\$ 7,676,509</u>	<u>\$ 8,928,754</u>	<u>\$ 9,698,444</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ 92,537	\$ -	\$ 297
Restricted:	-	-	-	-	-
Reserves for:					
Capital	9,487,926	3,884,429	9,239,923	7,238,113	8,249,645
Employee Benefits Accrued Liability	377,312	377,622	235,096	306,750	182,892
Insurance	254,257	254,500	254,499	254,499	254,499
Due to State TRS	1,386,409	2,108,754	2,108,754	2,108,754	2,108,754
Due to State ERS	500,000	500,000	500,000	500,000	500,000
Tax Certiorari	1,425,620	1,389,482	1,588,998	1,510,097	676,339
Unemployment Insurance	228,498	228,511	229,147	230,068	232,152
Workers' Compensation	300,000	500,000	500,836	502,849	507,404
Assigned:					
Encumbrances	402,390	301,037	677,803	2,391,417	1,253,655
Appropriated Fund Balance	2,728,416	2,527,603	2,527,603	2,575,893	2,575,893
Unassigned	3,722,299	3,855,576	4,312,212	4,430,834	4,644,856
	<u>20,813,127</u>	<u>15,927,514</u>	<u>22,267,408</u>	<u>22,049,274</u>	<u>21,186,386</u>
TOTAL FUND EQUITY	<u>\$ 20,813,127</u>	<u>\$ 15,927,514</u>	<u>\$ 22,267,408</u>	<u>\$ 22,049,274</u>	<u>\$ 21,186,386</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES and FUND EQUITY	<u>\$ 26,958,810</u>	<u>\$ 46,866,093</u>	<u>\$ 29,943,917</u>	<u>\$ 30,978,028</u>	<u>\$ 30,884,830</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Real Property Taxes and Tax Items	\$ 58,487,833	\$ 59,669,288	\$ 60,443,791	\$ 62,404,286	\$ 64,046,220
Nonproperty Taxes	142,724	146,605	150,688	-	-
Charges for Services	754,770	480,265	757,575	719,730	816,405
Use of Money & Property	914,173	607,438	584,642	862,163	1,872,417
Sale of Property and					
Compensation for Loss	61,790	44,354	74,918	63,328	494,323
Miscellaneous	1,457,273	1,581,738	1,862,790	2,064,855	2,712,804
Revenues from State Sources	23,710,512	23,808,692	27,002,822	32,411,635	38,362,048
Revenues from Federal Sources	394,264	625,559	387,805	380,341	348,892
Total Revenues	<u>\$ 85,923,339</u>	<u>\$ 86,963,939</u>	<u>\$ 91,265,031</u>	<u>\$ 98,906,338</u>	<u>\$ 108,653,109</u>
Other Sources:					
Interfund Transfers	213,000	100,000	-	-	1,465,722
Premium on obligations issued	-	-	-	352,798	-
Total Revenues and Other Sources	<u>\$ 86,136,339</u>	<u>\$ 87,063,939</u>	<u>\$ 91,265,031</u>	<u>\$ 99,259,136</u>	<u>\$ 110,118,831</u>
EXPENDITURES					
General Support	\$ 7,618,545	\$ 7,428,738	\$ 8,098,557	\$ 8,250,526	\$ 9,918,801
Instruction	43,925,867	44,339,301	45,170,886	47,818,148	52,285,594
Pupil Transportation	4,059,660	4,197,735	4,727,376	4,938,573	5,356,805
Community Services	-	-	-	-	-
Employee Benefits	18,293,690	17,875,316	19,006,140	19,265,429	21,865,937
Debt Service	10,681,820	10,600,670	10,704,293	12,414,527	11,348,114
Lease Expense	-	-	472,786	-	-
Total Expenditures	<u>\$ 84,579,582</u>	<u>\$ 84,441,760</u>	<u>\$ 88,180,038</u>	<u>\$ 92,687,203</u>	<u>\$ 100,775,251</u>
Other Uses:					
Interfund Transfers	296,402	142,019	7,970,606	232,039	9,561,714
Total Expenditures and Other Uses	<u>\$ 84,875,984</u>	<u>\$ 84,583,779</u>	<u>\$ 96,150,644</u>	<u>\$ 92,919,242</u>	<u>\$ 110,336,965</u>
Excess (Deficit) Revenues Over					
Expenditures	<u>1,260,355</u>	<u>2,480,160</u>	<u>(4,885,613)</u>	<u>6,339,894</u>	<u>(218,134)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	17,072,612	18,332,967	20,813,127	15,927,514	22,267,408
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 18,332,967</u>	<u>\$ 20,813,127</u>	<u>\$ 15,927,514</u>	<u>\$ 22,267,408</u>	<u>\$ 22,049,274</u>
Fund Balance as a Percentage of Total Revenues	21.28%	23.91%	17.45%	22.43%	20.02%

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending June 30:

	2025			2026
	Original Budget	Amended Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	\$ 65,350,653	\$ 62,273,358	\$ 62,495,016	\$ 66,280,014
Real Property Tax Items	-	3,077,295	2,842,248	448,032
Charges for Services	656,083	656,083	1,013,627	1,016,834
Use of Money & Property	1,798,338	1,798,338	1,960,494	1,791,751
Sale of Property and Compensation for Loss	17,500	17,500	5,601	14,500
Miscellaneous	1,680,000	1,700,000	2,526,675	1,800,000
Revenues from State Sources	38,692,302	38,347,302	37,506,773	41,869,257
Revenues from Federal Sources	-	325,000	348,646	325,000
Total Revenues	<u>\$ 108,194,876</u>	<u>\$ 108,194,876</u>	<u>\$ 108,699,080</u>	<u>\$ 113,545,388</u>
Other Sources:				
Appropriated Fund Balance	2,575,893	3,547,285	3,547,285	2,575,893
Appropriated Reserves	-	-	-	-
Interfund Transfers	-	-	-	-
Premium on Obligations	-	-	-	-
Prior Year Encumbrances	-	5,165,535	-	-
Total Revenues and Other Sources	<u>\$ 110,770,769</u>	<u>\$ 116,907,696</u>	<u>\$ 112,246,365</u>	<u>\$ 116,121,281</u>
EXPENDITURES				
General Support	\$ 10,841,140	\$ 15,971,034	\$ 13,890,854	\$ 11,148,086
Instruction	58,370,579	58,879,469	57,568,819	61,208,569
Pupil Transportation	5,696,340	5,890,550	5,592,407	5,875,837
Community Services	-	-	-	-
Employee Benefits	27,197,907	27,073,114	26,829,185	28,402,426
Debt Service	8,376,717	8,690,443	8,892,934	9,188,163
Total Expenditures	<u>\$ 110,482,683</u>	<u>\$ 116,504,610</u>	<u>\$ 112,774,199</u>	<u>\$ 115,823,081</u>
Other Uses:				
Interfund Transfers	288,086	403,086	335,054	298,200
Total Expenditures and Other Uses	<u>\$ 110,770,769</u>	<u>\$ 116,907,696</u>	<u>\$ 113,109,253</u>	<u>\$ 116,121,281</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(862,888)</u>	<u>-</u>
FUND BALANCE				
Fund Balance - Beginning of Year			22,049,274	
Prior Period Adjustments (net)			-	
Fund Balance - End of Year			<u>\$ 21,186,386</u>	

Fund Balance as a Percentage of Total Revenues

18.87%

Source: Audited financial report and budgets (unaudited) of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 3,816,422	\$ 2,261,153	\$ 6,077,575
2027	3,205,000	1,802,938	5,007,938
2028	3,095,000	1,657,563	4,752,563
2029	2,560,000	1,511,825	4,071,825
2030	2,655,000	1,389,325	4,044,325
2031	2,385,000	1,269,250	3,654,250
2032	2,480,000	1,150,000	3,630,000
2033	2,595,000	1,026,000	3,621,000
2034	2,725,000	896,250	3,621,250
2035	2,865,000	760,000	3,625,000
2036	3,010,000	616,750	3,626,750
2037	3,160,000	466,250	3,626,250
2038	3,315,000	308,250	3,623,250
2039	1,670,000	142,500	1,812,500
2040	1,180,000	59,000	1,239,000
TOTALS	\$ 40,716,422	\$ 15,317,053	\$ 56,033,475

BONDS OUTSTANDING

Fiscal Year Ending June 30th	\$4,448,000 2019 Reconstruction			\$1,635,000 2021 Refunding of 2013 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 25,000	\$ 4,400	\$ 29,400	\$ 235,000	\$ 23,513	\$ 258,513
2027	25,000	3,400	28,400	235,000	19,400	254,400
2028	30,000	2,400	32,400	250,000	10,000	260,000
2029	30,000	1,200	31,200	-	-	-
TOTALS	\$ 110,000	\$ 11,400	\$ 121,400	\$ 720,000	\$ 52,913	\$ 772,913

Fiscal Year Ending June 30th	\$18,295,000 2024 DASNY 2024D			\$18,785,000 2025 DASNY 2025A		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 985,000	\$ 871,000	\$ 1,856,000	\$ 1,390,000	\$ 1,210,589	\$ 2,600,589
2027	1,035,000	821,750	1,856,750	925,000	869,750	1,794,750
2028	1,085,000	770,000	1,855,000	975,000	823,500	1,798,500
2029	1,140,000	715,750	1,855,750	1,020,000	774,750	1,794,750
2030	1,195,000	658,750	1,853,750	1,070,000	723,750	1,793,750
2031	1,255,000	599,000	1,854,000	1,130,000	670,250	1,800,250
2032	1,320,000	536,250	1,856,250	1,160,000	613,750	1,773,750
2033	1,380,000	470,250	1,850,250	1,215,000	555,750	1,770,750
2034	1,450,000	401,250	1,851,250	1,275,000	495,000	1,770,000
2035	1,525,000	328,750	1,853,750	1,340,000	431,250	1,771,250
2036	1,600,000	252,500	1,852,500	1,410,000	364,250	1,774,250
2037	1,680,000	172,500	1,852,500	1,480,000	293,750	1,773,750
2038	1,770,000	88,500	1,858,500	1,545,000	219,750	1,764,750
2039	-	-	-	1,670,000	142,500	1,812,500
2040	-	-	-	1,180,000	59,000	1,239,000
TOTALS	\$ 17,420,000	\$ 6,686,250	\$ 24,106,250	\$ 18,785,000	\$ 8,247,589	\$ 27,032,589

BONDS OUTSTANDING

Fiscal Year Ending June 30th	\$974,092 2021 Bus Acquisition			\$970,000 2022 Bus Acquisition		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 260,000	\$ 2,600	\$ 262,600	\$ 245,000	\$ 20,000	\$ 265,000
2027	-	-	-	255,000	10,200	265,200
TOTALS	\$ 260,000	\$ 2,600	\$ 262,600	\$ 500,000	\$ 30,200	\$ 530,200

Fiscal Year Ending June 30th	\$1,525,000 2023 Bus Acquisition			\$1,766,422 2024 Bus Acquisition		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 375,000	\$ 47,263	\$ 422,263	\$ 301,422	\$ 81,789	\$ 383,211
2027	385,000	33,200	418,200	345,000	45,238	390,238
2028	395,000	18,763	413,763	360,000	32,900	392,900
2029				370,000	20,125	390,125
2030				390,000	6,825	396,825
TOTALS	\$ 1,155,000	\$ 99,225	\$ 1,254,225	# \$ 1,766,422	\$ 186,877	\$ 1,953,299

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”), the District has agreed to provide, or cause to be provided,

- (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the Final Official Statement dated October 30, 2025 of the District relating to the Bonds under the headings “THE SCHOOL DISTRICT”, “TAX INFORMATION”, “STATUS OF INDEBTEDNESS”, “LITIGATION” and all Appendices (other than Appendices C, D & E, and other than any Appendix related to bond insurance) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2026, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2026; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the District of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the District of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (ii) within 10 business days after the occurrence of such event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
 - (a) principal and interest payment delinquencies
 - (b) non-payment related defaults; if material
 - (c) unscheduled draws on debt service reserves reflecting financial difficulties
 - (d) unscheduled draws on credit enhancements reflecting financial difficulties
 - (e) substitution of credit or liquidity providers, or their failure to perform
 - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (g) modifications to rights of Bondholders; if material
 - (h) bond calls, if material, and tender offers
 - (i) defeasances
 - (j) release, substitution, or sale of property securing repayment of the Bonds; if material
 - (k) rating changes
 - (l) bankruptcy, insolvency, receivership or similar event of the District;
 - (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

- (o) 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 security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

For the purposes of the event identified in (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person.

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

The District may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above, if the District determines that any such other event is material with respect to the Bonds; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District reserves the right to terminate its obligations to provide the aforescribed annual financial information and operating data and such audited financial statement, if any, and notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds (including holders of beneficial interests in the Bonds). The right of holders of the Bonds to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District's obligations under its continuing disclosure undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Bonds nor entitle any holder of the Bonds to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District, provided that, the District agrees that any such modification will be done in a manner consistent with the Rule.

A "Continuing Disclosure Undertaking Certificate" to this effect shall be provided to the purchaser at closing.

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**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHENECTADY, SARATOGA AND ALBANY COUNTIES, NEW
YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2025

Such Audited 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.

NISKAYUNA CENTRAL SCHOOL DISTRICT

**Financial Statements and
Required Report
As of June 30, 2025
Together with
Independent Auditor's Report**

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INDEPENDENT AUDITOR'S REPORT

October 10, 2025

The Board of Education of
Niskayuna Central School District:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Reclassification of Fund

As discussed in Note 18 to the financial statements, the School District has determined that its Extraclassroom Activity Fund, previously reported within the General Fund, should be reported separately. Accordingly, the Extraclassroom Activity fund has been removed from the General Fund and is reported as the Miscellaneous Special Revenue Fund. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenue, expenditures, and changes in fund balance – budget and actual - general fund, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Required Supplementary Information (Continued)

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget – General Fund and Section 1318 of Real Property Tax Limit Calculation, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

NISKAYUNA CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

FINANCIAL HIGHLIGHTS

- The School District maintained an unassigned fund balance at 4.00% of the General Fund budget for 2025-26.
- The General Fund's restricted fund balance was \$12,711,685 for the fiscal year ending June 30, 2025.
- The School District's general fund had a favorable expenditure budget variance of \$2.5 million (2.2%) and actual revenues were greater than budgeted amounts by \$504,000 (.47%).
- The School District-wide net position is \$(74,957,476), a \$244,232 decrease from June 30, 2024.
- The School District issued \$1,766,422 in serial bonds to purchase transportation vehicles in November 2024.
- In May 2025, the 2025-26 budget was approved by a vote of 968-261. The 2025-26 budget of \$116,121,281 maintains all existing services and programs and offers \$2.45 million in new investments that result in the creation of 20.8 full-time equivalent (FTE) staff positions.
- The School District was able to increase the capital reserve by \$1 million for capital projects for future facilities needs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: Management's Discussion and Analysis (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 School 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 School District-wide statements.

- The *governmental funds statements* tell how basic services, such as special education, were financed in the *short-term*.

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

Figure A-1 shows how the various sections of this annual report are arranged and related to one another.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1 Organization of the School District's Annual Financial Report

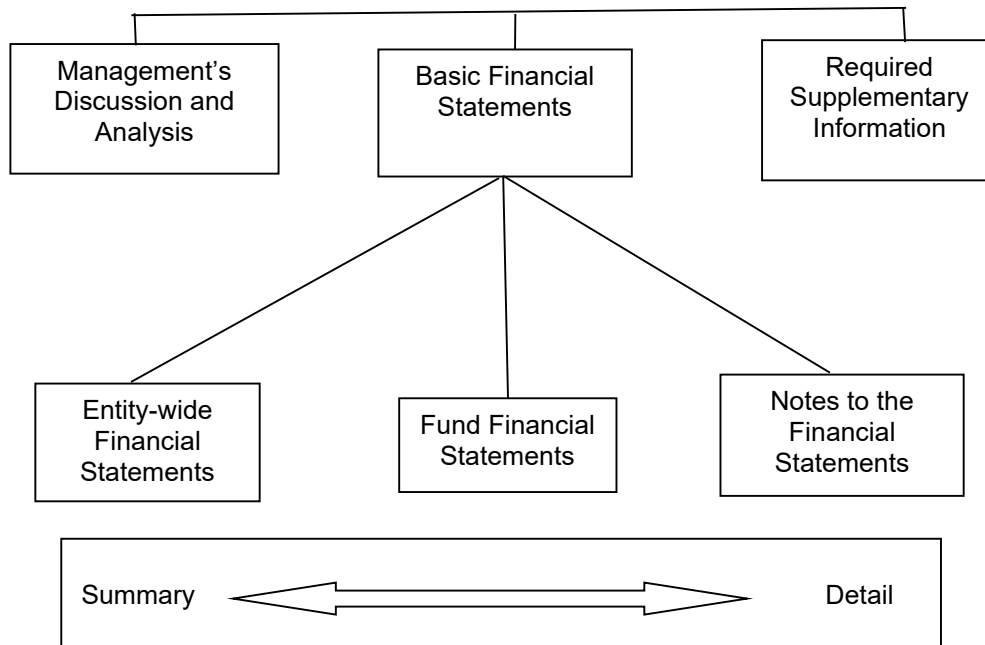


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

	School District-Wide	Governmental Funds
Scope	Entire School District	The daily operating activities of the School District, such as instruction and special education.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and change in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue 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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

School District-Wide Statements

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

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

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

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

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

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenses 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 has constraints placed on use by external sources or imposed by law.
 - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The School District has the following types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps 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 School District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, miscellaneous special revenue, and the capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Figure A-3 Condensed Statement of Net Position (In Thousands of Dollars)

	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Current and other assets	\$ 68,535	\$ 63,790	7.44%
Noncurrent assets	<u>133,954</u>	<u>114,857</u>	16.63%
Total assets	<u>202,489</u>	<u>178,647</u>	13.35%
Deferred outflows of resources	<u>27,624</u>	<u>37,451</u>	-26.24%
Current liabilities	59,955	49,506	21.11%
Long-term liabilities	<u>191,489</u>	<u>196,618</u>	-2.61%
Total liabilities	<u>251,445</u>	<u>246,124</u>	2.16%
Deferred inflows of resources	<u>53,626</u>	<u>44,837</u>	19.60%
Net position:			
Net investment in capital assets	78,331	78,884	-0.70%
Restricted	14,247	13,693	4.04%
Unrestricted	<u>(167,535)</u>	<u>(167,440)</u>	-0.06%
Total net position	<u>\$ (74,957)</u>	<u>\$ (74,863)</u>	0.13%

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

Changes in Net Position

The School District's 2025 revenue was \$113,622,344 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 55% and 33%, respectively, of the total revenue raised (see Figure A-5). 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 \$113,866,575 for 2025. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 15% of total costs.

Net position decreased during the year by \$244,232 due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS pension plan proportionate deferred outflows, assets and deferred inflows.

Figure A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

	Fiscal Year 2025	Fiscal Year 2024	Percent Change
Revenue:			
Charges for services	\$ 2,157	\$ 1,898	13.68%
Capital grants	-	4,432	100.00%
Operating grants	3,022	31	9788.21%
General revenue:			
Property taxes	62,495	64,046	-2.42%
Other tax items	2,842	-	100.00%
Use of money & property	2,169	1,933	12.23%
Sale of property and compensation for loss	6	494	-98.87%
Miscellaneous	2,996	3,132	-4.31%
State sources	37,586	32,362	16.14%
Federal sources	349	349	-0.07%
Total revenue	<u>113,622</u>	<u>108,676</u>	4.55%
Expenses:			
General support	13,733	10,626	29.24%
Instruction	87,221	59,784	45.89%
Pupil Transportation	7,642	6,418	19.08%
Employee Benefits	-	27,041	
Debt service - Interest	3,031	2,541	19.30%
Cost of sales - Food	2,240	1,956	14.52%
Total expenses	<u>113,867</u>	<u>108,365</u>	5.08%
Change in net position	<u>\$ (244)</u>	<u>\$ 311</u>	178.45%

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

Figure A-5: Revenue Sources for 2025:

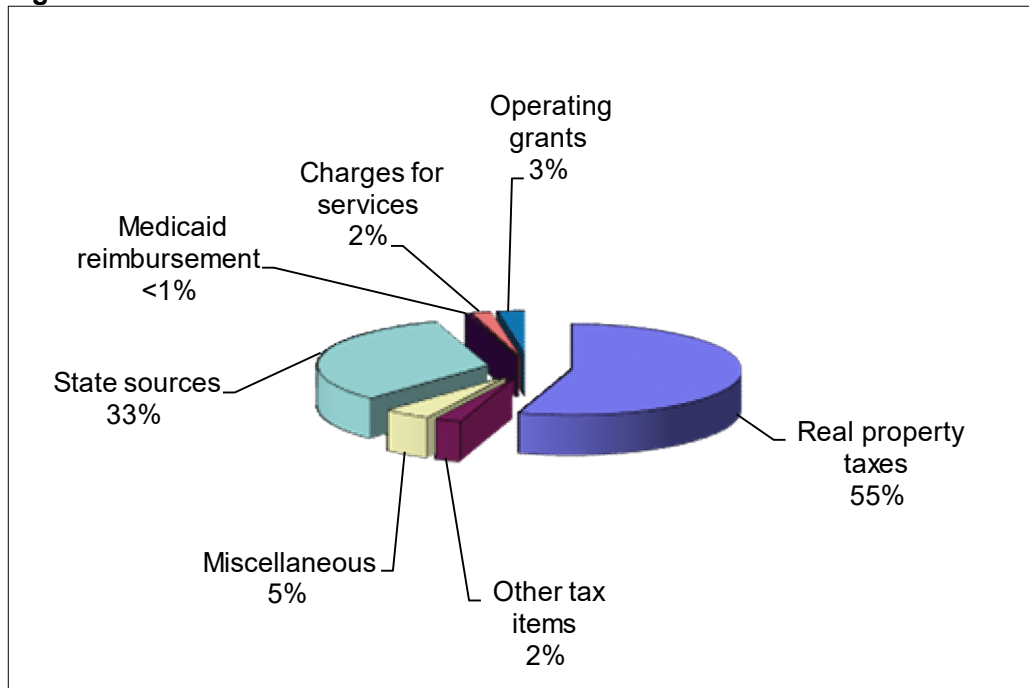
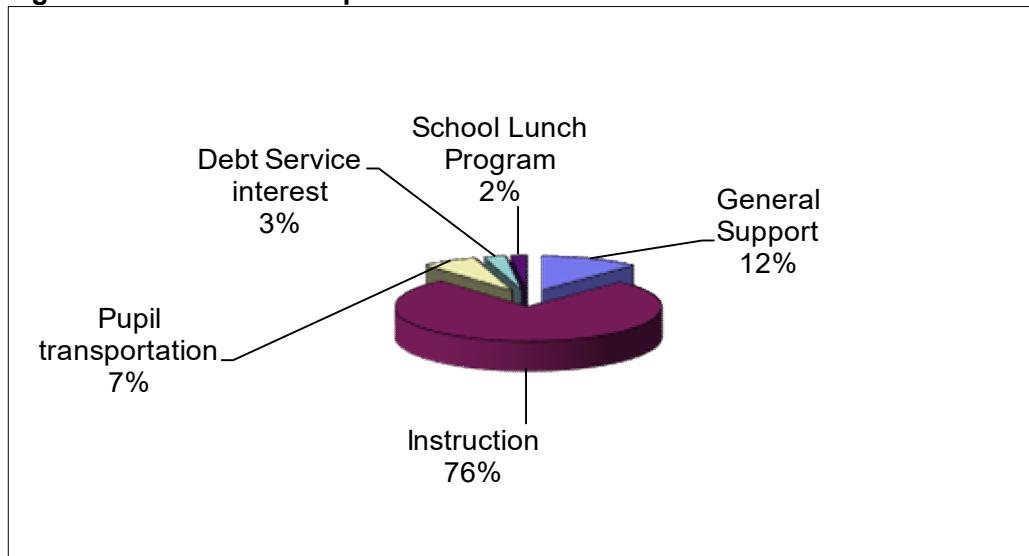


Figure A-6: Sources of Expenses for 2025:



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

Governmental Activities

Revenue for the School District's governmental activities totaled \$113,622,344 while total expenses were \$113,866,575. Accordingly, net position decreased by \$244,232.

Figure A-7 presents the cost of several of the School District's major activities. The figure 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.

Figure A-7 Net Cost of Governmental Activities (In Thousands of Dollars)

	Total Cost of Services <u>2025</u>	Net Cost of Services <u>2025</u>	Total Cost of Services <u>2024</u>	Net Cost of Services <u>2024</u>
General support	\$ 13,733	\$ 13,733	\$ 12,738	\$ 12,468
Instruction	87,221	84,047	83,276	79,283
Pupil transportation	7,642	7,642	7,584	7,854
Debt service - Interest	3,031	3,031	2,541	2,541
Cost of sales - Food	2,240	235	1,956	111
	<u>\$ 113,867</u>	<u>\$ 108,687</u>	<u>\$ 108,095</u>	<u>\$ 102,257</u>

- The cost of all governmental activities for the year was \$113,866,575.
- The users of the School District's programs financed \$2,157,227 of the costs through charges for services.
- The federal and state government financed \$3,022,134 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights

General Fund – New York State operating aid is tied to the growth in New York State personal income and sales taxes and the available funds in the state budget. The total 2024-2025 General Fund balance decreased by \$862,888.

Special Aid Fund – The Special Aid fund expended \$2,359,932 of federal and state funding and ended the year with a fund balance of \$0.

School Lunch Fund – The School Lunch fund ended the year with a fund balance of \$0. The General Fund subsidized \$71,830 of School Lunch expenditures.

Capital Projects Fund – The Capital Projects fund ended the year with a fund deficit of \$1,324,501, an increase of \$7,547,470. Other financing sources of \$24,204,547 subsidized capital project expenditures of \$16,736,077.

Debt Service Fund – The Debt Service fund ended the year with a fund balance of \$1,111,147. This fund balance will be appropriated in future years to offset bond principal and interest payments.

General Fund Budgetary Highlights

Results vs. Budget (In Thousands of Dollars)

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 69,523	\$ 69,523	\$ 70,844	\$ -	\$ 1,321
State sources	38,347	38,347	37,507	-	(841)
Proceeds from leases	-	3,547	3,547	-	-
Transfers in	-	-	-	-	-
Medicaid reimbursement	325	325	349	-	24
Total	<u>108,195</u>	<u>111,742</u>	<u>112,246</u>	<u>-</u>	<u>504</u>
Expenditures:					
General support	10,841	15,971	13,891	440	1,640
Instruction	58,371	58,879	57,569	812	499
Pupil transportation	5,696	5,891	5,592	2	296
Employee benefits	27,198	27,073	26,829	-	244
Debt service	8,377	8,690	8,893	-	(202)
Transfers out	288	403	335	-	68
Total	<u>110,771</u>	<u>116,908</u>	<u>113,109</u>	<u>1,254</u>	<u>2,545</u>
Revenue over (under) expenditures	<u>\$ (2,576)</u>	<u>\$ (5,166)</u>	<u>\$ (863)</u>	<u>\$ (1,254)</u>	<u>\$ 3,049</u>

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

In the General Fund, for the year ended June 30, 2025, actual revenues were greater than final budgeted revenues by \$504,204 (.47%). Actual expenditures and encumbrances were less than final budgeted expenditures by \$2,544,788 (2.2%).

For the 2025-2026 year, the School District has appropriated \$2,575,893 of fund balance to reduce the tax levy.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had \$127,717,204 invested in buildings, computers, and other educational equipment.

Figure A-8 Capital Assets (In Thousands of Dollars), net of accumulated depreciation

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>
Land	\$ 895	\$ 895
Construction in progress	44,339	46,486
Buildings and improvements	69,987	57,223
Vehicles	2,745	3,164
Machinery and equipment	4,344	4,067
Leased assets	5,407	3,021
Total	<u>\$ 127,717</u>	<u>\$ 114,857</u>

Long-Term Liabilities

As of June 30, 2025, the School District had \$204,179,666 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

Figure A-9 Outstanding Long-Term Debt (In Thousands of Dollars)

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>
General obligation bonds	\$ 43,993	\$ 24,454
Other long-term liabilities	160,186	169,826
Total	<u>\$ 204,180</u>	<u>\$ 194,281</u>

During 2025, the School District paid down its bonded debt by \$2,255,000.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

Public school districts in New York State continue to operate under a legislated school tax levy cap which limits the amount of tax revenue that can be raised each year. Tax levy increases are limited to the lesser of two percent or the rate of inflation, subject to exemptions and other adjustments. The tax levy limit impacts the district's ability to raise revenues to support school programs and general operating costs. With a rising rate of inflation, it is anticipated that inflation will continue to exceed the tax levy limit. The district's property tax base is expected to remain relatively stable.

The School District's primary revenue sources in the general fund are Real Property Taxes and State Aid. New York State fully funded the Foundation Aid formula for the first-time in the 2023-24 school year, resulting in an increase in state operating aid for Niskayuna based upon the statutory formula.. Funding through federal COVID Grants (CARES, CRRSA and APR) provided additional revenue to help meet program and operational needs during the early part of this decade and expired after the end of the 2023-24 fiscal year.

Adequate State and Federal funding will continue to be important to help schools sustain educational programs and services while addressing rising costs in areas such as pensions, health insurance and contracts. Growth in these and other costs mean that New York State public schools will need to continue to focus on the preservation of student programs and services in the most cost-effective manner.

Fiscal and programmatic sustainability will require strategic, long-term planning. Such planning will also include responsible management of available reserve funds, including the Capital Reserve. The school district continually strives to provide the best possible educational program for its students, moderate tax increases for the school community and protect its financial integrity and the investment taxpayers have made in educational services and facilities.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

It is the intent of this report to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the School District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Niskayuna Central School District
Assistant Superintendent of Business and Operations
1430 Balltown Road
Niskayuna, New York 12309

NISKAYUNA CENTRAL SCHOOL DISTRICT**STATEMENT OF NET POSITION
JUNE 30, 2025****ASSETS****CURRENT ASSETS:**

Cash and cash equivalents - unrestricted	\$ 9,998,609
Cash and cash equivalents - restricted	49,878,372
Accounts receivable	2,232,348
State and federal aid receivable	4,070,879
Due from other governments	2,317,343
Prepaid expenses	297
Inventory	<u>37,196</u>
Total current assets	<u>68,535,044</u>

NONCURRENT ASSETS:

Capital assets, not depreciated	45,234,050
Capital assets, net	82,483,154
Net pension asset - TRS	<u>6,237,016</u>
Total noncurrent assets	<u>133,954,220</u>

TOTAL ASSETS	<u>202,489,264</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - ERS	1,908,040
Deferred outflows of resources - TRS	14,935,619
Deferred outflows of resources - OPEB	<u>10,780,087</u>
Total deferred outflows of resources	<u>27,623,746</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>230,113,010</u>
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LIABILITIES**CURRENT LIABILITIES:**

Accounts payable	5,216,354
Accrued liabilities	774,298
Retainage payable	1,299,696
Accrued interest	126,597
Due to other governments	47,693
Due to Teachers' Retirement System	4,741,998
Due to Employees' Retirement System	333,050
Bond anticipation note payable	35,915,000
Unearned revenues	109,951
Current portion of bonds premium	462,488
Current portion of other post-employment benefits	5,752,157
Current portion of compensated absences payable	120,350
Leases payable due within one year	1,239,127
Bonds payable due within one year	<u>3,816,422</u>
Total current liabilities	<u>59,955,181</u>

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	36,900,000
Bonds premium, net of current portion	2,814,588
Workers' compensation claims	763,486
Judgements and claims	676,338
Leases payable, net of current portion	4,149,618
Net pension liability - ERS	3,833,280
Total other postemployment benefits	142,289,885
Compensated absences payable, net of current portion	<u>62,233</u>
Total long-term liabilities	<u>191,489,428</u>

TOTAL LIABILITIES	<u>251,444,609</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - ERS	126,269
Deferred inflows of resources - TRS	7,993,432
Deferred inflows of resources - OPEB	<u>45,506,176</u>
Total deferred inflows of resources	<u>53,625,877</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>305,070,486</u>
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NET POSITION

Net investment in capital assets	78,330,552
Restricted	14,246,500
Unrestricted	<u>(167,534,528)</u>
TOTAL NET POSITION	<u>\$ (74,957,476)</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenue		Net (Expense)
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants</u>	<u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
FUNCTIONS/PROGRAMS:				
General support	\$ 13,732,650	\$ -	\$ -	\$ (13,732,650)
Instruction	87,220,613	1,013,627	2,160,358	(84,046,628)
Pupil transportation	7,642,054	-	-	(7,642,054)
Debt service interest	3,031,333	-	-	(3,031,333)
School lunch program	<u>2,239,925</u>	<u>1,143,600</u>	<u>861,776</u>	<u>(234,549)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 113,866,575</u>	<u>\$ 2,157,227</u>	<u>\$ 3,022,134</u>	<u>(108,687,214)</u>
GENERAL REVENUE:				
Real property taxes				62,495,016
Other tax items				2,842,248
Use of money and property				2,169,233
Sale of property and compensation for loss				5,601
Miscellaneous				2,996,466
State sources				37,585,773
Medicaid reimbursement				<u>348,645</u>
TOTAL GENERAL REVENUE				<u>108,442,982</u>
CHANGE IN NET POSITION				<u>(244,232)</u>
NET POSITION - beginning of year, as previously reported				(74,863,373)
RECLASSIFICATION (Note 18)				<u>150,129</u>
NET POSITION - beginning of year, as reclassified				<u>(74,713,244)</u>
TOTAL NET POSITION - end of year				<u>\$ (74,957,476)</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025**

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents - unrestricted	\$ 9,998,469	\$ -	\$ 140	\$ 9,998,609
Cash and cash equivalents - restricted	12,711,685	35,910,591	1,256,096	49,878,372
Accounts receivable	2,180,255	-	52,093	2,232,348
State and federal aid receivable	2,244,309	174,764	1,651,806	4,070,879
Due from other governments	2,317,343	-	-	2,317,343
Due from other funds	1,432,472	-	278,719	1,711,191
Prepaid expenses	297	-	-	297
Inventory	-	-	37,196	37,196
TOTAL ASSETS	<u>\$ 30,884,830</u>	<u>\$ 36,085,355</u>	<u>\$ 3,276,050</u>	<u>\$ 70,246,235</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 3,784,571	\$ 1,331,438	\$ 100,345	\$ 5,216,354
Accrued liabilities	774,280	-	18	774,298
Due to other funds	-	163,418	1,547,773	1,711,191
Due to other governments	-	-	47,693	47,693
Bond anticipation notes payable	-	35,915,000	-	35,915,000
Due to Teachers' Retirement System	4,741,998	-	-	4,741,998
Due to Employees' Retirement System	333,050	-	-	333,050
Unearned revenue	64,545	-	45,406	109,951
TOTAL LIABILITIES	<u>\$ 9,698,444</u>	<u>\$ 37,409,856</u>	<u>\$ 1,741,235</u>	<u>\$ 48,849,535</u>

(Continued)

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2025

	Governmental Fund Types			Total Governmental Funds
	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	
FUND BALANCE:				
Nonspendable:				
Inventory	-	-	37,196	37,196
Prepaid expenditures	297	-	-	297
Total nonspendable fund balance	297	-	37,196	37,493
Restricted:				
Insurance	254,499	-	-	254,499
Retirement contributions - ERS	500,000			500,000
Retirement contributions - TRS	2,108,754			2,108,754
Workers compensation	507,404			507,404
Capital	8,249,645	-	-	8,249,645
Tax certiorari	676,339	-	-	676,339
Employee benefits accrued liabilities	182,892	-	-	182,892
Unemployment insurance	232,152	-	-	232,152
Other - Extraclassroom, scholarships	-	-	423,668	423,668
Debt service	-	-	1,111,147	1,111,147
Total restricted fund balance	12,711,685	-	1,534,815	14,246,500
Assigned:				
Appropriated for subsequent year's expenditures	2,575,893	-	-	2,575,893
Unappropriated	1,253,655	-	-	1,253,655
Total assigned fund balance	3,829,548	-	-	3,829,548
Unassigned	4,644,856	(1,324,501)	(37,196)	3,283,159
TOTAL FUND BALANCE	21,186,386	(1,324,501)	1,534,815	21,396,700
TOTAL LIABILITIES AND FUND BALANCE	\$ 30,884,830	\$ 36,085,355	\$ 3,276,050	\$ 70,246,235

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balance	\$ 21,396,700
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	127,717,204
Pension related government wide activity:	
Deferred outflows - ERS/TRS	16,843,659
Deferred inflows - ERS/TRS	(8,119,701)
Net pension asset - TRS	6,237,016
Net pension liability - ERS	(3,833,280)
OPEB related government wide activity:	
Deferred outflows of resources	10,780,087
Deferred inflows of resources	(45,506,176)
Total OPEB liability	(148,042,042)
Long-term liabilities, including bonds payable, leases payable, and compensated absences, retainage payable, workers compensation, judgements and claims are not due in the current period and, therefore, are not reported in the funds	(49,027,270)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting	(3,277,076)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(126,597)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (74,957,476)</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	General	Capital Projects	Non-Major Funds	Total Governmental Funds
REVENUE:				
Real property taxes	\$ 62,495,016	\$ -	\$ -	\$ 62,495,016
Other tax items	2,842,248	-	-	2,842,248
Charges for services	1,013,627	-	-	1,013,627
Use of money and property	1,960,494	-	208,739	2,169,233
Sale of property and compensation for loss	5,601	-	-	5,601
Miscellaneous	2,526,675	-	322,179	2,848,854
State sources	37,506,773	79,000	728,372	38,314,145
Federal sources	-	-	2,293,762	2,293,762
Medicaid reimbursement	348,646	-	-	348,646
Sales - School lunch	-	-	1,143,600	1,143,600
Total revenue	<u>108,699,080</u>	<u>79,000</u>	<u>4,696,652</u>	<u>113,474,732</u>
EXPENDITURES:				
General support	13,890,854	-	-	13,890,854
Instruction	57,568,819	-	2,169,405	59,738,224
Pupil transportation	5,592,407	-	172,801	5,765,208
Employee benefits	26,829,185	-	276,315	27,105,500
Debt service - Interest	3,208,494	-	-	3,208,494
Debt service - Principal	5,684,440	-	-	5,684,440
Other	-	-	571,873	571,873
Capital outlay	-	16,736,077	-	16,736,077
Cost of sales	-	-	1,940,519	1,940,519
Total expenditures	<u>112,774,199</u>	<u>16,736,077</u>	<u>5,130,913</u>	<u>134,641,189</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(4,075,119)</u>	<u>(16,657,077)</u>	<u>(434,261)</u>	<u>(21,166,457)</u>
OTHER FINANCING SOURCES (USES):				
Premium on issuance of debt	-	1,215,000	433,475	1,648,475
BANs redeemed from appropriations	-	2,335,860	-	2,335,860
Proceeds from the issuance of bonds	-	20,551,422	-	20,551,422
Proceeds from the issuance of leases	3,547,285	-	-	3,547,285
Operating transfers in	-	102,265	232,789	335,054
Operating transfers (out)	(335,054)	-	-	(335,054)
Total other financing sources (uses)	<u>3,212,231</u>	<u>24,204,547</u>	<u>666,264</u>	<u>28,083,042</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(862,888)</u>	<u>7,547,470</u>	<u>232,003</u>	<u>6,916,585</u>
FUND BALANCE - beginning of year, as previously reported	22,049,274	(8,871,971)	1,152,683	14,329,986
RECLASSIFICATION (Note 18)	-	-	150,129	150,129
FUND BALANCE - beginning of year, as reclassified	<u>22,049,274</u>	<u>(8,871,971)</u>	<u>1,302,812</u>	<u>14,480,115</u>
FUND BALANCE - end of year	<u>\$ 21,186,386</u>	<u>\$ (1,324,501)</u>	<u>\$ 1,534,815</u>	<u>\$ 21,396,700</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balance - Total governmental funds	\$ 6,916,585
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	19,640,852
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(5,432,090)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(1,162,074)
Repayments of long-term debt, including leases, are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	3,348,580
Proceeds of long-term bonds are recorded as revenue in the governmental funds, but are recorded as increases in debt in the statement of net position.	(20,551,422)
Issuance of long-term lease liabilities are recorded as revenue in the governmental funds, but are recorded as liabilities in the statement of net position.	(3,547,285)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	124,167
Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	(1,366,679)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(151,174)
Pension expense resulting from the GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	1,227,673
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>708,635</u>
Change in net position - Governmental activities	<u>\$ (244,232)</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Niskayuna Central School District located in portions of Albany, Schenectady, and Saratoga counties, New York, provides K-12 public education to students living within its geographic borders.

Reporting Entity

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

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

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

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

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

Extra classroom Activity Funds

The extra classroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements, (cash basis) of the extra classroom activity funds can be found at the School District's business office. The School District accounts for assets for various student organizations in the Miscellaneous Special Revenue fund.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

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

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

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

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

Basis of Presentation

School District-Wide Statements

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

The statement of activities presents a comparison between program expenses and revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

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

The fund statements provide information about the School 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.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Governmental Fund Types

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

The School District reports the following major governmental funds:

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

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

The School District reports the following non-major governmental funds:

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

School Lunch Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Measurement Focus and Basis of Accounting

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

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

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within one year after the end of the fiscal year, excluding real property taxes, which are considered available when levied. The School District selected the one year time frame to match the time frame when the related liabilities will be liquidated.

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

Cash and Cash Equivalents

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

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Cash and Cash Equivalents (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and School District subdivisions.

Accounts Receivable/State and Federal Aid Receivable/Due from Other Governments

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

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 School 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 School District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance has been classified as nonspendable to indicate that inventory and prepaids do not constitute available spendable resources.

Interfund Transactions

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

In the School 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.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Interfund Transactions (Continued)

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

Capital Assets, Net

Capital assets, net are reflected in the School District-wide financial statements. Capital assets are reported at historical cost or estimated historical costs, based on appraisals conducted by independent third party professionals. Donated assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets, except land, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds and estimated useful lives of capital assets reported in the School District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	\$ 1,000	15-50 years
Machinery and Equipment	\$ 1,000	5-25 years
Vehicles	\$ 1,000	8 years

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

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1. Taxes are collected by the Towns during the period September 1 to October 31.

Uncollected real property taxes are subsequently enforced by the Counties in which the School District is located. An amount representing uncollected real property taxes is transmitted to the Counties for enforcement and is paid by the Counties to the School District no later than the forthcoming April 1.

Employee Benefits

Compensated absences

In accordance with GASB Statement 101, Compensated absences, the School District recognizes a liability for leave time that has (1) been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The compensated liability includes salary related benefits, where applicable.

The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds in as much as it will be funded from current financial resources and the statement of net position for amounts to be paid from future financial resources.

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Vested Employee Benefits (Continued)

Other Benefits

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

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

Other Postemployment Benefits

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

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

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

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Deferred Outflows of Resources

Deferred outflows of resources, in the statement of net position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time.

Restricted Resources

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

Fund Balance/Net Position Classifications

School District-Wide Statements

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

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

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

Restricted net position consists of the following:

Insurance reserve	\$ 254,499
Retirement contributions - ERS	500,000
Retirement contributions - TRS	2,108,754
Workers compensation reserve	507,404
Capital reserve	8,249,645
Employee benefits accrued liabilities reserve	182,892
Tax certiorari reserves	676,339
Unemployment insurance reserve	232,152
Other - Extraclassroom activities and scholarships	423,668
Debt service reserve	<u>1,111,147</u>
	<u>\$ 14,246,500</u>

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

Governmental Fund Statements

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

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

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The School District has available the following restricted fund balances:

Capital Reserve

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

Workers' Compensation Reserve

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

Unemployment Insurance Reserve

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

Reserve for Debt Service

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

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Fund Balance/Net Position Classifications (Continued)
Governmental Fund Statements (Continued)

Insurance Reserve

Insurance reserve is used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund under restricted fund balance.

Liability Claims and Property Loss Reserve

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

Tax Certiorari Reserve

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

Employee Benefit Accrued Liability Reserve

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

Employee Retirement Contribution Reserve

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

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

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements (Continued)

Employee Retirement Contribution Reserve (Continued)

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$1,253,655. As of June 30, 2025, the School District's encumbrances were classified as follows:

General support	\$ 439,723
Instruction	811,577
Pupil transportation	<u>2,355</u>
Total encumbrances	<u>\$ 1,253,655</u>

Encumbrances

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

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

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the School District can retain to no more than 4% of the School District's budget for the general fund for the ensuing fiscal year. 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 Fund Balance Spending Policy

The School 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 assigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

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

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

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

Total fund balances of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Pension Differences

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

OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District's 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 School District approved the proposed appropriations budget for the General Fund.

Appropriations are adopted at the program line-item level.

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

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

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

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

4. CASH AND CASH EQUIVALENTS

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

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 56,150,311	\$ 56,004,280
Cash equivalents	<u>3,872,701</u>	<u>3,872,701</u>
	<u>\$ 60,023,012</u>	<u>\$ 59,876,981</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 55,411,483	
Covered by FDIC insurance	<u>738,828</u>	
Total	<u>\$ 56,150,311</u>	

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

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

Restricted cash consists of the following:

General fund:

Insurance reserve	\$ 254,499
Retirement contributions - ERS	500,000
Retirement contributions - TRS	2,108,754
Capital projects	8,249,645
Employee benefits accrued liabilities	182,892
Workers compensation	507,404
Tax certiorari	676,339
Unemployment insurance reserve	<u>232,152</u>
	<u>\$ 12,711,685</u>

Capital projects fund:

Cash on deposit for capital projects	<u>\$ 35,910,591</u>
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Debt service fund:

Cash on deposit for debt service	<u>\$ 949,177</u>
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Miscellaneous Special Revenue fund:

Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 306,919</u>
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5. PARTICIPATION IN BOCES

During the year, the School District was billed \$7,867,228 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$2,921,863.

6. CAPITAL ASSETS

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

	July 1, 2024 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2025 <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 895,205	\$ -	\$ -	\$ 895,205
Construction in progress	<u>46,485,701</u>	<u>13,453,972</u>	<u>15,600,828</u>	<u>44,338,845</u>
Total non-depreciable cost	<u>47,380,906</u>	<u>13,453,972</u>	<u>15,600,828</u>	<u>45,234,050</u>
Capital assets that are depreciated:				
Buildings and Improvements	131,431,415	16,889,295	-	148,320,710
Vehicles	11,817,913	337,742	705,927	11,449,728
Machinery and equipment	<u>13,319,883</u>	<u>826,936</u>	<u>1,044</u>	<u>14,145,775</u>
Total depreciable historical cost	<u>156,569,211</u>	<u>18,053,973</u>	<u>706,971</u>	<u>173,916,213</u>
Less accumulated depreciation:				
Buildings and Improvements	74,208,018	4,125,774	-	78,333,792
Vehicles	8,653,708	756,848	705,927	8,704,629
Machinery and equipment	<u>9,253,298</u>	<u>549,468</u>	<u>1,044</u>	<u>9,801,722</u>
Total accumulated depreciation	<u>92,115,024</u>	<u>5,432,090</u>	<u>706,971</u>	<u>96,840,143</u>
Total capital assets, net	<u>111,835,093</u>	<u>26,075,855</u>	<u>15,600,828</u>	<u>122,310,120</u>
Leased assets, being amortized:				
Buildings	-	2,793,831	-	2,793,831
Machinery and equipment	<u>5,757,327</u>	<u>753,454</u>	-	<u>6,510,781</u>
	<u>5,757,327</u>	<u>3,547,285</u>	-	<u>9,304,612</u>
Less accumulated amortization for:				
Buildings				
Machinery and equipment	<u>2,735,454</u>	<u>1,162,074</u>	-	<u>3,897,528</u>
	<u>2,735,454</u>	<u>1,162,074</u>	-	<u>3,897,528</u>
Total leased assets, being amortized, net	<u>3,021,873</u>	<u>2,385,211</u>	-	<u>5,407,084</u>
Total governmental activities, capital assets	<u>\$114,856,966</u>	<u>\$ 28,461,066</u>	<u>\$ 15,600,828</u>	<u>\$127,717,204</u>

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

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 549,468	\$ -
Pupil transportation	756,848	-
Instruction	<u>4,125,774</u>	<u>1,162,074</u>
Total	<u>\$ 5,432,090</u>	<u>\$ 1,162,074</u>

7. SHORT-TERM DEBT

The School District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenue. 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 School District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which 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 School 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 School District had the following BAN transactions as of June 30, 2025:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Principal Paid</u>	<u>Redeemed</u>	<u>Ending Balance</u>
June 27, 2025	4.50%	\$ 38,550,000	\$ -	\$ 2,335,860	\$ 36,214,140	\$ -
June 26, 2026	3.50%	-	35,915,000	-	-	35,915,000
		<u>\$ 38,550,000</u>	<u>\$ 35,915,000</u>	<u>\$ 2,335,860</u>	<u>\$ 36,214,140</u>	<u>\$ 35,915,000</u>

8. LONG-TERM DEBT

Interest on debt for the year was composed of:

Interest paid	\$ 3,208,494
Less: Interest accrued in the prior year	(45,716)
Less: Amortization expense on bond premium	(258,042)
Plus: Interest accrued in the current year	<u>126,597</u>
Total expense	<u>\$ 3,031,333</u>

8. LONG-TERM DEBT (Continued)

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

	July 1, 2024 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2025 <u>Balance</u>	Amounts Due Within <u>One Year</u>	<u>Long-term Portion</u>
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 22,420,000	\$ 20,551,422	\$ 2,255,000	\$ 40,716,422	\$ 3,816,422	\$ 36,900,000
Less deferred amounts on refunding	(42,976)	42,976	-	-	-	-
Unamortized serial bond premiums	2,034,254	1,500,864	258,042	3,277,076	462,488	2,814,588
Other long-term liabilities:						
Lease obligations	2,935,040	3,547,285	1,093,580	5,388,745	1,239,127	4,149,618
Compensated absences	306,750	-	124,167	182,583	120,350	62,233
Net pension liability - ERS	3,137,505	695,775	-	3,833,280	-	3,833,280
Judgments and claims	1,509,672	-	833,334	676,338	-	676,338
Workers' compensation	638,786	124,700	-	763,486	-	763,486
Retainage payable	1,486,147	-	186,453	1,299,694	1,299,694	-
Total other postemployment benefits	<u>159,855,380</u>	<u>-</u>	<u>11,813,338</u>	<u>148,042,042</u>	<u>5,752,157</u>	<u>142,289,885</u>
Total long-term liabilities	<u>\$194,280,558</u>	<u>\$ 26,463,022</u>	<u>\$ 16,563,914</u>	<u>\$204,179,666</u>	<u>\$ 12,690,238</u>	<u>\$191,489,428</u>

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

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2025 <u>Balance</u>
Serial Bond	2019	2029	4.00%	\$ 110,000
Serial Bond	2021	2028	1.50 - 4.00%	720,000
Serial Bond	2021	2026	1.00%	260,000
Serial Bond	2022	2027	3.75 - 4.00%	500,000
Serial Bond	2023	2028	3.75 - 4.75%	1,155,000
Serial Bond	2024	2038	5.00%	17,420,000
Serial Bond	2024	2030	3.25%	1,766,422
Serial Bond	2025	2040	5.00%	<u>18,785,000</u>
				<u>\$ 40,716,422</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 3,816,422	\$ 2,261,153	\$ 6,077,575
2027	3,205,000	1,802,938	5,007,938
2028	3,095,000	1,657,563	4,752,563
2029	2,560,000	1,511,825	4,071,825
2030	2,655,000	1,389,325	4,044,325
2031-2035	13,050,000	5,101,500	18,151,500
2036-2040	<u>12,335,000</u>	<u>1,592,750</u>	<u>13,927,750</u>
Totals	<u>\$ 40,716,422</u>	<u>\$ 15,317,054</u>	<u>\$ 56,033,476</u>

9. LEASES

The School District leases various equipment, primarily from BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 45-60 months. The School District also leases a building from under a ten year lease agreement. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Lease Liability</u>
Machinery and equipment	2.26% - 5.08%	\$ 2,745,119
Building	3.25%	<u>2,643,626</u>
Total Lease Liability		<u>\$ 5,388,745</u>

Activity of lease liabilities for the year ended June 30, 2025 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 2,935,040	\$ 3,547,285	\$ 1,093,580	\$ 5,388,745	\$ 1,239,127

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026 \$	1,239,127	\$ 189,131	\$ 1,428,258
2027	880,735	144,754	1,025,489
2028	903,971	107,312	1,011,283
2029	722,733	71,667	794,400
2030	279,659	49,241	328,900
2031-2035	<u>1,362,520</u>	<u>100,764</u>	<u>1,463,284</u>
	<u>\$ 5,388,745</u>	<u>\$ 662,869</u>	<u>\$ 6,051,614</u>

10. INTERFUND BALANCES AND ACTIVITY

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

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

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 1,432,472	\$ -	\$ -	\$ 335,054
Miscellaneous special revenue fund	116,749	-	-	-
Special aid fund	-	1,498,443	160,959	-
School lunch fund	-	49,330	71,830	-
Debt service fund	161,970	-	-	-
Capital projects fund	-	163,418	102,265	-
Totals	<u>\$ 1,711,191</u>	<u>\$ 1,711,191</u>	<u>\$ 335,054</u>	<u>\$ 335,054</u>

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

11. PENSION PLANS

New York State Employees' Retirement System

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

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

Contributions

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

	<u>ERS</u>
2025	\$ 1,332,199
2024	872,334
2023	752,009

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

At June 30, 2025, the School District reported a net pension liability of \$3,833,280 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2024. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 and 2024, the School District's proportion was .0223571% and .0213087%, respectively, which were measured at March 31, 2025 and 2024, respectively.

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

For the year ended June 30, 2025, the School District recognized pension expense of \$839,140. At June 30, 2025, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 951,446	\$ 44,880
Changes of Assumptions	160,760	-
Net difference between projected and actual earnings on pension plan investments	300,748	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	162,036	81,389
Contributions subsequent to the measurement date	333,050	-
Total	<u>\$ 1,908,040</u>	<u>\$ 126,269</u>

The School District recognized \$333,050 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2025 which will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

Plan's Year Ending March 31:

2026	\$ 667,876
2027	1,005,934
2028	(295,561)
2029	70,472
2030	-
Thereafter	-
	<u>\$ 1,448,721</u>

Actuarial Assumptions

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.3% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic Equity	25.0	3.54%
International Equity	14.0	6.57%
Private Equity	15.0	7.25%
Real Estate	12.0	4.95%
Opportunistic/ARS portfolio	3.0	5.25%
Credit	4.0	5.40%
Real Assets	4.0	5.55%
Fixed Income	22.0	2.00%
Cash	1.0	0.25%
	<u>100%</u>	

Discount Rate

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

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	<u>1% Decrease (4.90%)</u>	<u>Current Discount (5.90%)</u>	<u>1% Increase (6.90%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 11,093,995</u>	<u>\$ 3,833,280</u>	<u>\$ (2,229,422)</u>

11. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (in thousands)

The components of the current-year net pension liability of the employers as of March 31, 2025, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 247,600,239
Net position	230,454,512
Net pension liability (asset)	<u>\$ 17,145,727</u>
ERS net position as a percentage of total pension liability	93.08%

New York State Teachers' Retirement System

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

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

Contributions

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

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

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

	<u>TRS</u>
2025	\$ 4,257,700
2024	3,813,780
2023	3,487,347

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

At June 30, 2025, the School District reported an asset of \$6,237,016 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of **June 30, 2024**, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 and 2024, the School District's proportionate share was 0.209043% and 0.200675%, respectively, which were measured at June 30, 2024 and 2023, respectively.

For the year ended June 30, 2025, the School District recognized pension expense of \$3,368,601. At June 30, 2025 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,716,123	\$ -
Changes of Assumptions	3,731,000	627,589
Net difference between projected and actual earnings on pension plan investments	-	6,929,857
Changes in proportion and differences between the District's contributions and proportionate share of contributions	230,797	435,986
Contributions subsequent to the measurement date	4,257,699	-
Total	<u>\$ 14,935,619</u>	<u>\$ 7,993,432</u>

The School District recognized \$4,257,699 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2024, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

Plan's Year Ending June 30:

2025	\$ (3,274,184)
2026	7,596,939
2027	(1,248,595)
2028	(1,421,852)
2029	754,746
Thereafter	277,434
	<u>\$ 2,684,488</u>

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension asset to June 30, 2024. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><tr><th><u>Service</u></th><th><u>Rate</u></th></tr><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

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

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

Long Term Expected Rate of Return

<u>Asset Type</u>	Target Allocations in %	Long-term expected real rate of return in %
Domestic Equity	33.0	6.6%
International Equity	15.0	7.4%
Global Equity	4.0	6.9%
Real Estate Equity	11.0	6.3%
Private Equity	9.0	10.0%
Domestic Fixed Income	16.0	2.6%
Global Bonds	2.0	2.5%
Private Debt	2.0	5.9%
Real Estate Debt	6.0	3.9%
High-Yield Bonds	1.0	4.8%
Cash Equivalents	1.0	0.5%
	<u>100%</u>	

Discount Rate

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

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

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

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 28,809,138</u>	<u>\$ (6,237,016)</u>	<u>\$ (35,711,772)</u>

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability (asset) of the employers as of June 30, 2024, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 142,837,826,465
Net position	145,821,434,780
Net pension liability (asset)	<u>\$ (2,983,608,315)</u>
TRS net position as a percentage of total pension liability	102.09%

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District's defined benefit OPEB plan provides OPEB for eligible retired employees of the School District, their spouses and their dependent children.

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

Benefits Provided

The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries	
currently receiving benefits	438
Active employees	<u>655</u>
Total participants	<u>1,093</u>

Total OPEB Liability

The School District's total OPEB liability of \$148,042,042 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

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

Inflation	2.60%
Salary increases	Varies by years of service and retirement system
Discount Rate	4.81% as of June 30, 2024
Healthcare Cost Trend Rates	
Medical	6.75% initial rate decreasing to an ultimate rate of 4.04% by 2075
Dental	3.00% per annum

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

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

Mortality rates were based on Pub-2010 Headcount Weighted Mortality Table projected generationally with MP-2021 from the central year.

Changes in the Total OPEB Liability

Balance at July 1, 2024	<u>\$ 159,855,380</u>
Changes for the Year	
Service cost	4,707,281
Interest	6,813,753
Changes of benefit terms	11,159
Changes in assumptions or other inputs	(14,408,642)
Differences between expected and actual experience	(3,448,713)
Benefit payments	<u>(5,488,176)</u>
Net changes	<u>(11,813,338)</u>
Balance at June 30, 2025	<u>\$ 148,042,042</u>

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

	1% Decrease (3.81%)	Current Discount (4.81%)	1% Increase (5.81%)
Total OPEB Liability	<u>\$173,137,692</u>	<u>\$148,042,042</u>	<u>\$127,971,335</u>

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

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

	Healthcare		
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	<u>\$124,886,773</u>	<u>\$148,042,042</u>	<u>\$177,866,959</u>

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

For the year ended June 30, 2025, the School District recognized OPEB expense of \$5,639,350. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,746,262	\$ 4,652,931
Changes of assumptions	<u>7,033,825</u>	<u>40,853,245</u>
Total	<u>\$ 10,780,087</u>	<u>\$ 45,506,176</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2026	\$ (5,817,401)
2027	(10,288,878)
2028	(9,689,849)
2029	(3,520,645)
2030	(2,858,261)
Thereafter	<u>(2,551,055)</u>
	<u><u>\$(34,726,089)</u></u>

13. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

13. TAX ABATEMENTS (Continued)

The following are the PILOT agreements and the amount of real property tax that has been abated for the year ended June 30, 2025:

Agreement With	Taxable Value	Tax Rate	Tax Value	PILOT Payment	Abatement Amount
Momentive	\$ 13,660,000	28.270330	\$ 386,173	\$ 139,283	\$ 246,890
Niskayuna Realty LLC	4,041,700	28.270330	114,260	6,620	107,640
Knolls Atomic Power Lab	4,291,300	28.270330	121,316	121,316	-
Woodlawn Group	1,400,000	28.270330	39,578	35,903	3,675
Environment One	180,000	28.270330	5,089	3,053	2,036
Rivers Ledge	<u>21,109,000</u>	28.270330	<u>596,758</u>	<u>111,231</u>	<u>485,527</u>
	<u>\$ 44,682,000</u>		<u>\$ 1,263,174</u>	<u>\$ 417,406</u>	<u>\$ 845,768</u>

14. SELF INSURANCE

Health and Dental Insurance

The School District is self-insured for health insurance benefits, on a cost-reimbursement basis. Under the program, the School District is responsible for claim payments. Empire HealthChoice Assurance, inc. is the third-party claims administrator for the School District's health plan. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The School District pays the medical claims and related administrative fees on a monthly basis by funding the separate bank account. The total cash in the account amounted to \$0 at June 30, 2025. The School District estimates the liability for unpaid health insurance claims to be \$1,436,180 at June 30, 2025.

The School District self-funds the health insurance plan, but has purchased both aggregate and specific stop loss coverage from HM Life Insurance Company of New York. The aggregate insurance provides full coverage for aggregate claims in excess of 124% of expected claims.

The specific stop loss insurance assumes the risk for claims on any individual in excess of \$275,000 paid during a calendar year.

The School District is self-insured for dental insurance benefits on a cost-reimbursement basis. Under the program, the School District is responsible for claim payments. Empire Delta Dental of New York is the third-party claims administrator for the School District's dental plan. The cost of dental care is paid out of employee and employer contributions. The School District pays the dental claims and related administrative fees on a monthly basis by wiring funds to Delta Dental. The District estimates the liability for unpaid dental insurance claims to be \$46,243 for the year ended June 30, 2025. The School District has not purchased stop loss insurance on the self-funded dental plan. The School District's maximum liability is limited to the annual dental allowance per covered individual, which is \$1,500 per covered individual at June 30, 2025.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2025 pertaining to both health and dental insurance have been recorded as accounts payable.

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

14. SELF INSURANCE (Continued)

Health and Dental Insurance (Continued)

A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

The School District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. Unpaid claims are included in accounts payable in the General Fund. The following represents changes in those aggregate liabilities for the District during the past two years:

	<u>2025</u>	<u>2024</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 893,936	\$ 461,399
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	15,623,749	10,904,807
Increase (decrease) in provision for incurred events of prior years	-	-
Total incurred claims and claim adjustment expenses	16,517,685	11,366,206
Payments made for claims during the current year	(15,035,262)	(10,472,270)
Total unpaid claims and claim adjustment expenses at end of year	<u>\$ 1,482,423</u>	<u>\$ 893,936</u>

Workers' Compensation Insurance

The School District is self-insured for workers' compensation benefits on a cost-reimbursement basis. Under the program, the School District is responsible for claim payments. All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2025 have been recorded as accrued workers' compensation on the Statement of Net Position.

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

14. SELF INSURANCE (Continued)

Workers' Compensation Insurance (Continued)

The School District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the School District during the past two years:

	<u>2025</u>	<u>2024</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 638,786	\$ 458,943
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	303,979	167,954
Increase (decrease) in provision for incurred events of prior years	<u>27,731</u>	<u>135,972</u>
Total incurred claims and claim adjustment expenses	970,496	762,869
Payments made for claims during the current year	<u>(207,010)</u>	<u>(124,083)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u>\$ 763,486</u>	<u>\$ 638,786</u>

15. RISK MANAGEMENT

General Information

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

Litigation

The School District has several claims that are currently being litigated with the support of legal counsel. While the claims against the School District are substantial, management and legal counsel believe that the exposure to the School District after insurance is not material. In all cases, it is too soon in the litigation process to estimate any potential loss to the School District.

16. COMMITMENTS AND CONTINGENCIES

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

17. SCHOLARSHIPS

The School District administers scholarships funds, which are restricted by the donor for the purpose of student scholarships and awards.

The School District authorizes expenditures from donor-restricted scholarships in compliance with the wishes expressed by the donor, which varies among the unique scholarships administered by the School District.

18. RECLASSIFICATION

During the year ended June 30, 2025, the School District reviewed the classification of its governmental funds in accordance with the provisions of GASB Statement No. 84 and other applicable guidance. As a result of the review, it was determined that Extraclassroom Activity Funds should no longer be accounted for within the General Fund. Effective July 1, 2024, the Extraclassroom activity has been reclassified and is now reported within the Miscellaneous Special Revenue Fund.

The reclassification had the following effect on the beginning fund balances:

	Governmental Activities	
	Cash	Net Position
Balance at June 30, 2024, as previously reported	\$ 2,711,767	\$ (74,863,373)
Restatement of beginning balance - ECAF	150,129	150,129
Balance at July 1, 2024, as reclassified	<u>\$ 2,861,896</u>	<u>\$ (74,713,244)</u>

	Miscellaneous Special Revenue Fund	
	Cash	Fund Balance
Balance at June 30, 2024, as previously reported	\$ 153,573	\$ 283,736
Restatement of beginning balance - ECAF	150,129	150,129
Balance at July 1, 2024, as reclassified	<u>\$ 303,702</u>	<u>\$ 433,865</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

NISKAYUNA CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 62,273,358	\$ 62,273,358	\$ 62,495,016	\$ -	\$ 221,658
Other tax items	3,077,295	3,077,295	2,842,248	-	(235,047)
Charges for services	656,083	656,083	1,013,627	-	357,544
Use of money and property	1,798,338	1,798,338	1,960,494	-	162,156
Sale of property and compensation for loss	17,500	17,500	5,601	-	(11,899)
Miscellaneous	<u>1,700,000</u>	<u>1,700,000</u>	<u>2,526,675</u>	<u>-</u>	<u>826,675</u>
Total local sources	69,522,574	69,522,574	70,843,661	-	1,321,087
State sources	38,347,302	38,347,302	37,506,773	-	(840,529)
Medicaid reimbursement	<u>325,000</u>	<u>325,000</u>	<u>348,646</u>	<u>-</u>	<u>23,646</u>
Total revenue	<u>\$ 108,194,876</u>	<u>\$ 108,194,876</u>	<u>\$ 108,699,080</u>	<u>\$ -</u>	<u>\$ 504,204</u>

(Continued)

See the independent auditor's report

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)

(Continued)

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 52,307	\$ 49,048	\$ 43,994	\$ -	\$ 5,054
Central administration	485,348	525,661	509,839	794	15,028
Finance	1,063,164	1,388,003	1,336,481	31,722	19,800
Staff	1,196,843	1,121,140	986,539	-	134,601
Central services	6,872,213	11,542,614	9,695,391	407,207	1,440,016
Special items	<u>1,171,254</u>	<u>1,344,568</u>	<u>1,318,610</u>	<u>-</u>	<u>25,958</u>
Total general support	<u>10,841,129</u>	<u>15,971,034</u>	<u>13,890,854</u>	<u>439,723</u>	<u>1,640,457</u>
INSTRUCTION:					
Instruction, administration, and improvement	4,092,447	4,321,531	4,224,786	604	96,141
Teaching - regular school	29,197,306	30,007,230	29,353,682	76,664	576,884
Programs for children with handicapping conditions	12,893,919	12,214,394	11,818,942	144,122	251,330
Programs for English language learners	804,684	825,420	808,037	-	17,383
Occupational education	658,604	746,604	746,464	-	140
Teaching - special school	345,571	347,805	289,995	-	57,810
Instructional media	4,946,021	4,865,424	4,953,871	560,603	(649,050)
Pupil services	<u>5,432,038</u>	<u>5,551,061</u>	<u>5,373,042</u>	<u>29,584</u>	<u>148,435</u>
Total instruction	<u>58,370,590</u>	<u>58,879,469</u>	<u>57,568,819</u>	<u>811,577</u>	<u>499,073</u>
Pupil transportation	5,696,340	5,890,550	5,592,407	2,355	295,788
Employee benefits	27,197,907	27,073,114	26,829,185	-	243,929
Debt service - principal	5,463,848	5,537,766	5,684,440	-	(146,674)
Debt service - Interest	<u>2,912,869</u>	<u>3,152,677</u>	<u>3,208,494</u>	<u>-</u>	<u>(55,817)</u>
Total expenditures	<u>110,482,683</u>	<u>116,504,610</u>	<u>112,774,199</u>	<u>1,253,655</u>	<u>2,476,756</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from the issuance of leases	-	3,547,285	3,547,285	-	-
Transfers to other funds	<u>(288,086)</u>	<u>(403,086)</u>	<u>(335,054)</u>	<u>-</u>	<u>68,032</u>
	<u>(288,086)</u>	<u>3,144,199</u>	<u>3,212,231</u>	<u>-</u>	<u>68,032</u>
Total expenditures and other financing uses	<u>110,770,769</u>	<u>113,360,411</u>	<u>109,561,968</u>	<u>1,253,655</u>	<u>2,544,788</u>
NET CHANGE IN FUND BALANCE	(2,575,893)	(5,165,535)	(862,888)	(1,253,655)	3,048,992
FUND BALANCE - beginning of year	<u>22,049,274</u>	<u>22,049,274</u>	<u>22,049,274</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 19,473,381</u>	<u>\$ 16,883,739</u>	<u>\$ 21,186,386</u>	<u>\$ (1,253,655)</u>	<u>\$ 3,048,992</u>

See the independent auditor's report

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.022357%	0.213000%	0.022900%	0.020000%	0.020000%	0.020000%	0.020000%	0.020000%	0.020000%	0.020000%
Proportionate share of the net pension liability (asset)	\$3,833	\$3,138	\$4,781	(\$1,869)	\$23	\$6,315	\$1,713	\$783	\$2,275	\$3,621
Covered-employee payroll	\$8,539	\$8,643	\$7,321	\$6,881	\$6,785	\$7,351	\$7,187	\$7,154	\$8,255	\$8,092
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.89%	36.31%	65.31%	-27.16%	0.34%	85.91%	23.83%	10.94%	27.56%	44.75%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.209043%	0.200700%	0.200900%	0.200000%	0.200000%	0.200000%	0.200000%	0.200000%	0.200000%	0.190000%
Proportionate share of the net pension liability (asset)	(\$6,237)	\$2,295	\$3,855	(\$35,953)	\$5,710	(\$5,212)	(\$3,585)	(\$1,512)	\$2,131	(\$20,083)
Covered-employee payroll	\$42,114	\$40,701	\$37,537	\$36,089	\$30,315	\$35,752	\$34,473	\$33,099	\$32,451	\$31,551
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-14.81%	5.64%	10.27%	-99.62%	18.83%	-14.58%	-10.40%	-4.57%	6.57%	-63.65%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.09%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,332	\$ 872	\$ 752	\$ 1,009	\$ 978	\$ 979	\$ 1,005	\$ 1,009	\$ 958	\$ 996
Contributions in relation to the contractually required contribution	<u>1,332</u>	<u>872</u>	<u>752</u>	<u>1,009</u>	<u>978</u>	<u>979</u>	<u>1,005</u>	<u>1,009</u>	<u>958</u>	<u>996</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,539	\$ 8,643	\$ 7,321	\$ 6,881	\$ 6,785	\$ 7,351	\$ 7,187	\$ 7,154	\$ 8,255	\$ 8,092
Contributions as a percentage of covered-employee payroll	15.60%	10.09%	10.27%	14.67%	14.41%	13.32%	13.98%	14.10%	11.60%	12.31%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 4,258	\$ 3,814	\$ 3,487	\$ 3,356	\$ 3,107	\$ 3,556	\$ 3,165	\$ 3,695	\$ 4,071	\$ 5,091
Contributions in relation to the contractually required contribution	<u>4,258</u>	<u>3,814</u>	<u>3,487</u>	<u>3,356</u>	<u>3,107</u>	<u>3,556</u>	<u>3,165</u>	<u>3,695</u>	<u>4,071</u>	<u>5,091</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 42,114	\$ 40,701	\$ 37,537	\$ 36,089	\$ 30,315	\$ 35,752	\$ 34,473	\$ 33,099	\$ 32,451	\$ 31,551
Contributions as a percentage of covered-employee payroll	10.11%	9.37%	9.29%	9.30%	10.25%	9.95%	9.18%	11.16%	12.54%	16.14%

NISKAYUNA CENTRAL SCHOOL DISTRICT

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service cost	\$ 4,707,281	\$ 4,627,829	\$ 5,554,817	\$ 8,159,245	\$ 7,739,757	\$ 4,955,666	\$ 4,271,208	\$ 4,485,736	\$ 4,542,839	
Interest	6,813,753	6,512,375	5,545,398	4,196,989	4,196,078	4,931,803	5,246,265	4,696,671	4,130,495	
Changes of benefit terms	11,159	-	-	-	-	-	-	-	-	
Differences between expected and actual experience	(3,448,713)	(133,909)	4,644,202	244,834	3,418,755	75,024	(12,809,936)	-	-	
Changes in assumptions	(14,408,642)	(2,016,568)	(9,280,926)	(43,429,250)	(7,611,923)	40,045,731	10,504,085	(6,616,062)	(18,598,429)	
Benefit payments	(5,488,176)	(4,338,390)	(4,668,015)	(3,797,827)	(3,652,316)	(3,203,447)	(2,701,108)	(2,258,661)	(2,683,293)	
Total change in total OPEB liability	(11,813,338)	4,651,337	1,795,476	(34,626,009)	4,090,351	46,804,777	4,510,514	307,684	(12,608,388)	
Total OPEB liability - beginning	<u>159,855,380</u>	<u>155,204,043</u>	<u>153,408,567</u>	<u>188,034,576</u>	<u>183,944,225</u>	<u>137,139,448</u>	<u>132,628,934</u>	<u>132,321,250</u>	<u>144,929,638</u>	
Total OPEB liability - ending	<u>\$ 148,042,042</u>	<u>\$ 159,855,380</u>	<u>\$ 155,204,043</u>	<u>\$ 153,408,567</u>	<u>\$ 188,034,576</u>	<u>\$ 183,944,225</u>	<u>\$ 137,139,448</u>	<u>\$ 132,628,934</u>	<u>\$ 132,321,250</u>	
Covered-employee payroll	\$ 46,148,258	\$ 38,974,320	\$ 37,113,889	\$ 46,032,971	\$ 43,892,500	\$ 36,000,594	\$ 34,594,222	\$ 35,706,244	\$ 33,704,631	
Total OPEB liability as a percentage of covered-employee payroll	320.80%	410.16%	418.18%	333.26%	428.40%	510.95%	396.42%	371.44%	392.59%	

Notes to schedule:

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

Discount rate	4.81%	4.21%	4.13%	N/A	N/A	N/A	N/A	N/A	N/A
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Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

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

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

SUPPLEMENTARY INFORMATION

NISKAYUNA CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special <u>Aid</u>	School <u>Lunch</u>	Debt <u>Service</u>	Miscellaneous <u>Special Revenue</u>	Total Non-Major Governmental <u>Funds</u>
ASSETS					
Cash and cash equivalents - unrestricted	\$ 10	\$ 130	\$ -	\$ -	\$ 140
Cash and cash equivalents - restricted	-	-	949,177	306,919	1,256,096
Accounts receivable	-	52,093	-	-	52,093
State and federal aid receivable	1,573,260	78,546	-	-	1,651,806
Due from other funds	-	-	161,970	116,749	278,719
Inventory	-	37,196	-	-	37,196
TOTAL ASSETS	\$ 1,573,270	\$ 167,965	\$ 1,111,147	\$ 423,668	\$ 3,276,050
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 26,022	\$ 74,323	\$ -	\$ -	\$ 100,345
Accrued liabilities	-	18	-	-	18
Due to other funds	1,498,443	49,330	-	-	1,547,773
Due to other governments	47,650	43	-	-	47,693
Unearned revenue	1,155	44,251	-	-	45,406
TOTAL LIABILITIES	\$ 1,573,270	\$ 167,965	\$ -	\$ -	\$ 1,741,235

(Continued)

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2025

	<u>Special Aid</u>	<u>School Lunch</u>	<u>Debt Service</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Non-Major Governmental Funds</u>
FUND BALANCE:					
Nonspendable:					
Inventory	<u>-</u>	<u>37,196</u>	<u>-</u>	<u>-</u>	<u>37,196</u>
Restricted:					
Other - Extraclassroom, scholarships	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,668</u>	<u>423,668</u>
Debt service	<u>-</u>	<u>-</u>	<u>1,111,147</u>	<u>-</u>	<u>1,111,147</u>
Total restricted fund balance	<u>-</u>	<u>-</u>	<u>1,111,147</u>	<u>423,668</u>	<u>1,534,815</u>
Unassigned	<u>-</u>	<u>(37,196)</u>	<u>-</u>	<u>-</u>	<u>(37,196)</u>
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,111,147</u>	<u>423,668</u>	<u>1,534,815</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,573,270</u>	<u>\$ 167,965</u>	<u>\$ 1,111,147</u>	<u>\$ 423,668</u>	<u>\$ 3,276,050</u>

The accompanying notes are an integral part of these statements.

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Special Aid	School Lunch	Debt Service	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
REVENUE:					
Use of money and property	\$ -	\$ -	\$ 205,866	\$ 2,873	\$ 208,739
Miscellaneous	38,615	10,625	-	272,939	322,179
State sources	598,884	129,488	-	-	728,372
Federal sources	1,561,474	732,288	-	-	2,293,762
Sales - School lunch	-	1,143,600	-	-	1,143,600
Total revenue	<u>2,198,973</u>	<u>2,016,001</u>	<u>205,866</u>	<u>275,812</u>	<u>4,696,652</u>
EXPENDITURES:					
Instruction	2,169,405	-	-	-	2,169,405
Pupil transportation	172,801	-	-	-	172,801
Employee benefits	17,726	258,589	-	-	276,315
Other	-	-	285,864	286,009	571,873
Cost of sales	-	1,940,519	-	-	1,940,519
Total expenditures	<u>2,359,932</u>	<u>2,199,108</u>	<u>285,864</u>	<u>286,009</u>	<u>5,130,913</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(160,959)</u>	<u>(183,107)</u>	<u>(79,998)</u>	<u>(10,197)</u>	<u>(434,261)</u>
OTHER FINANCING SOURCES (USES):					
Premium on issuance of debt	-	-	433,475	-	433,475
Operating transfers in	<u>160,959</u>	<u>71,830</u>	<u>-</u>	<u>-</u>	<u>232,789</u>
Total other financing sources (uses)	<u>160,959</u>	<u>71,830</u>	<u>433,475</u>	<u>-</u>	<u>666,264</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>(111,277)</u>	<u>353,477</u>	<u>(10,197)</u>	<u>232,003</u>
FUND BALANCE - beginning of year, as previously reported	-	111,277	757,670	283,736	1,152,683
RECLASSIFICATION (Note 18)	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,129</u>	<u>150,129</u>
FUND BALANCE - beginning of year, as reclassified	<u>-</u>	<u>111,277</u>	<u>757,670</u>	<u>433,865</u>	<u>1,302,812</u>
FUND BALANCE - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,111,147</u>	<u>\$ 423,668</u>	<u>\$ 1,534,815</u>

The accompanying notes are an integral part of these statements.

OTHER INFORMATION (UNAUDITED)

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2025

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 110,770,769
Add: Prior year's encumbrances	<u>2,391,417</u>
Original budget	113,162,186
Budget revisions	<u>198,225</u>
Final budget	<u>\$ 113,360,411</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget	\$ 116,121,281	
Maximum allowed (4% of 2025-26 budget)		<u>\$ 4,644,851</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	3,829,548
Unassigned fund balance	<u>4,644,856</u>
	<u>\$ 8,474,404</u>

Less:

Appropriated fund balance	2,575,893
Encumbrances included in assigned fund balance	<u>1,253,655</u>
Total adjustments	<u>\$ 3,829,548</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law \$ 4,644,856

Actual percentage 4.00%

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

NISKAYUNA CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2025
			Prior Years	Current Year	Total		Proceeds from Debt	State Sources	Local Sources	Total	
School Buses Purchases	\$ 703,930	\$ 703,930	\$ 703,067	\$ -	\$ 703,067	\$ 863	\$ 703,930	\$ -	\$ -	\$ 703,930	\$ 863
School Buses Purchases	974,092	974,092	973,252	-	973,252	840	974,092	-	-	974,092	840
School Buses Purchases	970,000	970,000	965,271	-	965,271	4,729	970,000	-	-	970,000	4,729
School Buses Purchases	1,525,000	1,525,000	306,742	1,196,794	1,503,536	21,464	1,525,000	-	-	1,525,000	21,464
School Buses Purchases	1,766,422	1,766,422	-	1,008,941	1,008,941	757,481	1,766,422	-	-	1,766,422	757,481
Birchwood ES Phase 1C - SED Project # 001-010	107,900	211,655	147,652	-	147,652	64,003	278,505	-	27,341	305,846	158,194
Birchwood ES Phase 1C* - SED Project # 001-012	246,500	-	227,088	6,692	233,780	12,720	243,008	-	-	243,008	9,228
VAMS Roof Project - SED Project # 001-014	1,570,000	1,594,978	1,332,161	-	1,332,161	262,817	1,037,926	-	294,235	1,332,161	-
VAMS Phase 1B - SED Project # 001-015	135,000	173,630	173,630	-	173,630	-	143,628	-	30,002	173,630	-
VAMS Phase 2B* - SED Project # 001-016	2,175,000	3,851,754	926,440	2,812,492	3,738,932	112,822	-	-	-	-	(3,738,932)
VAMS Gym Floors - SED Project # 001-017	115,000	102,265	-	102,265	102,265	-	-	-	102,265	102,265	-
Craig ES Phase 1B - SED Project # 2015	1,294,000	1,281,190	1,278,721	-	1,278,721	2,469	1,040,631	-	238,090	1,278,721	-
Craig ES Phase 1C - SED Project # 2016	107,900	211,655	258,518	-	258,518	(46,863)	278,463	-	27,338	305,801	47,283
Craig ES Phase 1C* - SED Project # 2018	388,335	-	347,188	7,758	354,946	33,389	382,834	-	-	382,834	27,888
Glenclyff ES Phase 1A* - SED Project # 3016	1,624,023	-	1,382,392	-	1,382,392	241,631	177,473	-	1,444,000	1,621,473	239,081
Glenclyff ES Phase 1B - SED Project # 3015	128,000	128,000	44,696	-	44,696	83,304	20,981	-	23,715	44,696	-
Glenclyff ES Phase 1C* - SED Project # 3017	129,874	-	103,351	4,871	108,222	21,652	128,035	-	-	128,035	19,813
Rosendale ES Phase 1A* - SED Project # 4014	1,614,150	-	1,516,339	-	1,516,339	97,811	259,422	-	1,351,000	1,610,422	94,083
Rosendale ES Phase 1B - SED Project # 4013	221,000	221,000	94,298	-	94,298	126,702	53,353	-	40,945	94,298	-
Rosendale ES Phase 2A* - SED Project # 4015	1,385,500	-	1,868,777	128,129	1,996,906	(611,406)	1,365,874	-	-	1,365,874	(631,032)
Bus Garage Roof Project - SED Project # 5002	108,000	108,642	62,817	-	62,817	45,825	42,724	-	20,093	62,817	-
Bus Garage Roof Project 1A* - SED Project # 5003	1,794,749	-	1,423,133	-	1,423,133	371,616	-	-	1,794,749	1,794,749	371,616
NHS Phase 1A* - SED Project # 6029	439,028	-	558,947	-	558,947	(119,919)	52,277	-	386,000	438,277	(120,670)
NHS Phase 1B - SED Project # 6026	396,000	615,914	615,914	-	615,914	-	514,140	-	101,774	615,914	-
NHS Phase 1B* - SED Project # 6030	13,955,984	-	13,207,073	542,496	13,749,569	206,415	11,045,873	-	2,751,391	13,797,264	47,695
NHS Phase 1C* - SED Project # 6031	1,492,105	-	1,443,488	35,417	1,478,905	13,200	1,470,968	-	490,442	1,961,410	482,505
NHS Pool Roof - SED Project # 6032	517,900	517,900	382,587	68,990	451,577	66,323	-	-	517,900	517,900	66,323
NHS Transformer Mitigation - SED Project # 6027	900,000	900,000	514,662	-	514,662	385,338	-	-	514,662	514,662	-
Hillside ES Phase 1B - SED Project # 7013	159,000	165,580	165,580	-	165,580	-	135,272	-	30,308	165,580	-
Hillside ES Phase 1C* - SED Project # 7015	65,225	-	94,908	4,903	99,811	(34,586)	64,301	-	-	64,301	(35,510)
IRMS Phase 1B - SED Project # 8015	460,000	460,000	379,457	-	379,457	80,543	294,231	-	85,226	379,457	-
IRMS Phase 2A* - SED Project # 8016	30,122,500	-	26,705,214	9,666,815	36,372,029	(6,249,529)	29,695,796	-	-	29,695,796	(6,676,233)
IRMS Phase 2A - SED Project # 8017	900,000	900,000	220,472	614,850	835,322	64,678	-	-	900,000	900,000	64,678
Pre-Referendum Costs	-	-	80,224	(80,228)	(4)	4	-	-	-	-	4
\$47.17M Referendum	47,173,350	47,173,350	-	535,892	535,892	46,637,458	-	-	8,000,000	8,000,000	7,464,108
Smart Schools Bond Act Phase 1 - SED Project # 9BA1	487,700	487,700	481,699	-	481,699	6,001	-	481,699	-	481,699	-
Smart Schools Bond Act Phase 2 - SED Project # 9BA2	761,703	761,703	708,378	-	708,378	53,325	-	708,378	-	708,378	-
Smart Schools Bond Act Phase 3 - SED Project # 9BA3	79,000	79,000	-	79,000	79,000	-	-	79,000	-	79,000	-
Lease Expense	-	4,257,383	4,257,383	-	4,257,383	-	-	-	4,257,383	4,257,383	-
Bond Premium	-	-	-	-	-	-	323,907	-	-	323,907	323,907
Interfund transfer to Debt Service	-	-	323,907	-	323,907	(323,907)	-	-	-	-	(323,907)
Total	\$ 116,993,870	\$ 70,142,743	\$ 64,275,426	\$ 16,736,077	\$ 81,011,503	\$ 42,389,213	\$ 54,989,066	\$ 1,269,077	\$ 23,428,859	\$ 79,687,002	\$ (1,324,501)

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) JUNE 30, 2025

Capital assets, net		\$ 127,717,204
Deduct:		
Unamortized bond premium	3,277,076	
Bond anticipation notes	35,915,000	
Short-term portion of leases payable	1,239,127	
Long-term portion of leases payable	4,149,618	
Short-term portion of bonds payable	3,816,422	
Long-term portion of bonds payable	<u>36,900,000</u>	85,297,243
Add:		
Unspent bond proceeds		<u>35,910,591</u>
Net investment in capital assets		<u>\$ 78,330,552</u>

REQUIRED REPORT UNDER GOVERNMENT AUDITING STANDARDS

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

October 10, 2025

The Board of Education of
Niskayuna Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *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 Niskayuna Central School District (School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's financial statements, and have issued our report thereon dated October 10, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

6 Wembley Court
Albany, NY 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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

NISKAYUNA CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2025

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes ☒ No

Significant deficiency(ies) identified?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Section II—Financial Statement Findings

None.

FORM OF BOND COUNSEL'S OPINION – SERIES A BONDS

November 13, 2025

Niskayuna Central School District,
Schenectady, Saratoga and Albany Counties
State of New York

Re: Niskayuna Central School District, New York
\$1,685,931 School District (Serial) Bonds, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,685,931 School District (Serial) Bonds, 2025 (the "Obligations"), of the Niskayuna Central School District, New York, Schenectady, Saratoga and Albany Counties, New York (the "Obligor"), dated November 13, 2025, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of ____ hundredths per centum (____%) per annum as to bonds maturing in ____, payable on October 15, 2026 and semi-annually thereafter on April 15 and October 15, and maturing in the amount of \$ ____ on October 15, 2026, \$ ____ on October 15, 2027, \$ ____ on October 15, 2028, \$ ____ on October 15, 2029, and \$ ____ on October 15, 2030.

The Obligations shall not be subject to redemption prior to maturity.

We have examined:

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

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

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

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

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

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP