PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2026
INCLUDING REPORT ON
EXTRACLASSROOM ACTIVITY FUNDS

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
JUNE 30, 2026
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Pine Bush Central School District
Pine Bush, New York

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the fiduciary fund of the Pine Bush Central School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Pine Bush Central School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, management has adopted Governmental Accounting Standards Board Statement No. 103, Financial Reporting Model Improvements. Our opinion is not modified with respect to that 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and required supplemental information on pages 4–19 and 76-82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America,

which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pine Bush Central School District's basic financial statements. The supplemental schedules on pages 83-85 are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 83-85 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2026 on our consideration of the Pine Bush Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pine Bush Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pine Bush Central School District's internal control over financial reporting and compliance.

Nugent & Haeussler PC

Montgomery, New York
October 9, 2026

PINE BUSH CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis

1. Overview of the Financial Statements

The following is a discussion and analysis of Pine Bush Central School District's financial performance for the year ended June 30, 2026. The section is a summary of the Pine Bush Central School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the 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 District's financial statements, which immediately follow this section.

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's significant fund.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

1. Overview of the Financial Statements (Continued)

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

1. Overview of the Financial Statements (Continued)

District-Wide Financial Statements

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

The two district-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown as *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

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

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

The District has two kinds of funds:

- Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information disclosed in Note 2 explains the relationship (differences) between them.
- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

1. Overview of the Financial Statements (Continued)

Notes and required supplementary information

The notes to the financial statements provide additional detail necessary to understand the amounts reported in the basic financial statements. Required supplementary information includes budgetary comparison information for the General Fund and other schedules require by generally accepted accounting principles.

2. Financial Summary

Financial Analysis of the District as a Whole

Beginning of the year net position increased $4,581,746, from ($182,798,832), as restated to ($178,217,086). The following table provides a summary of the District's net position:

Summary of Net Position

	School District Activities			
	June 30, 2026	As Restated June 30, 2025	$ Change	% Change
Current Assets	$ 36,797,850	$ 41,607,799	$ (4,809,949)	-11.56%
Non Current Assets	143,320,586	129,383,037	13,937,549	10.77%
Total Assets	180,118,436	170,990,836	9,127,600	5.34%
Deferred Outflows of Resources	54,975,509	63,695,090	(8,719,581)	-13.69%
Current Liabilities	15,864,903	14,800,344	1,064,559	7.19%
Long-Term Liabilities	299,695,267	346,567,997	(46,872,730)	-13.52%
Total Liabilities	315,560,170	361,368,341	(45,808,171)	-12.68%
Deferred Inflows of Resources	97,750,861	56,116,417	41,634,444	74.19%
Net Position:				
Net Investment in Capital Assets	102,758,888	93,362,484	9,396,404	10.06%
Restricted	29,093,144	21,829,873	7,263,271	33.27%
Unrestricted	(310,069,118)	(297,991,189)	(12,077,929)	-4.05%
Total Net Position	$ (178,217,086)	$ (182,798,832)	$ 4,581,746	2.51%

The increase in total net position reflects the following factors:

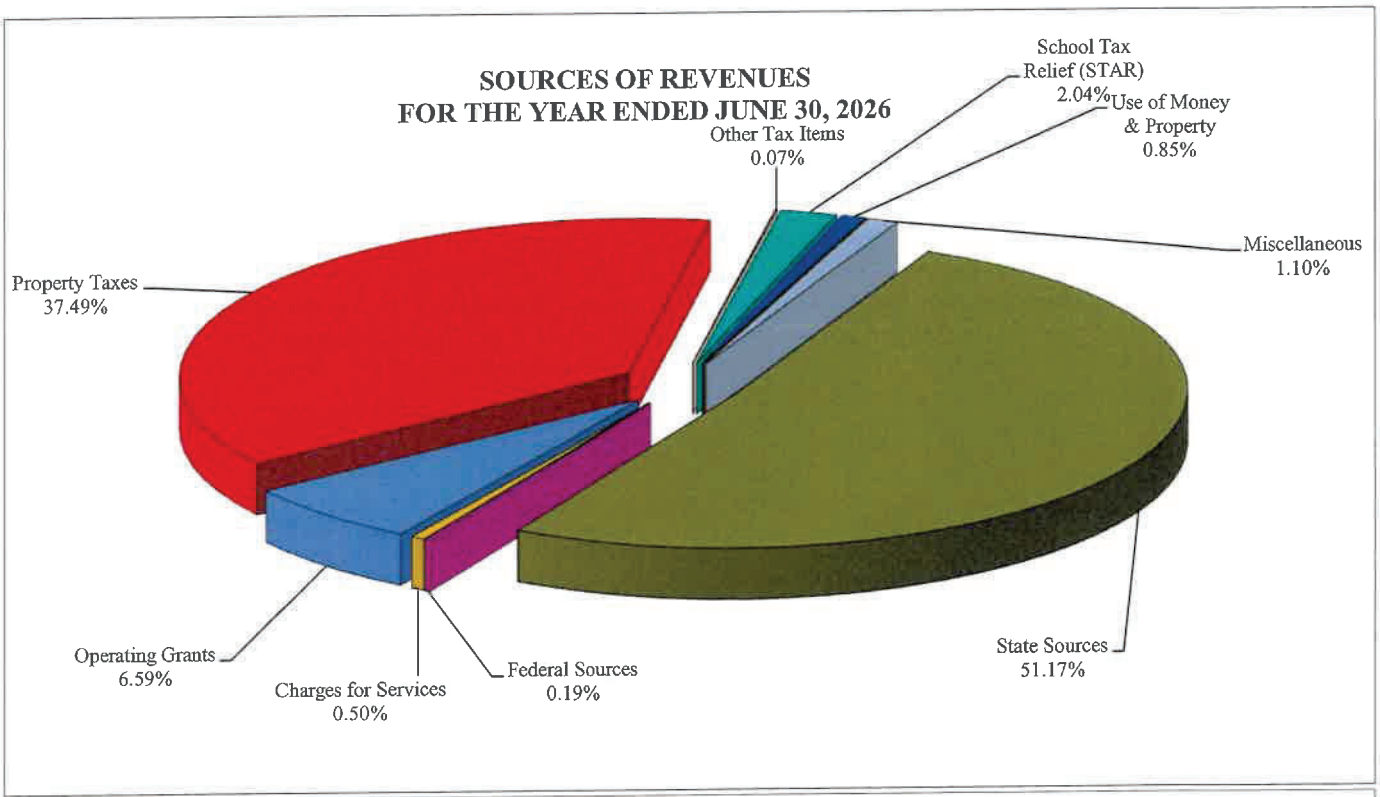
- Capital assets increased due to current year additions exceeding depreciation and amortization expense.
- Long-term liabilities decreased due to scheduled bond and installment principle debt repayments, and actuarially determined post-employment benefit obligations and pension-related balances decreased.

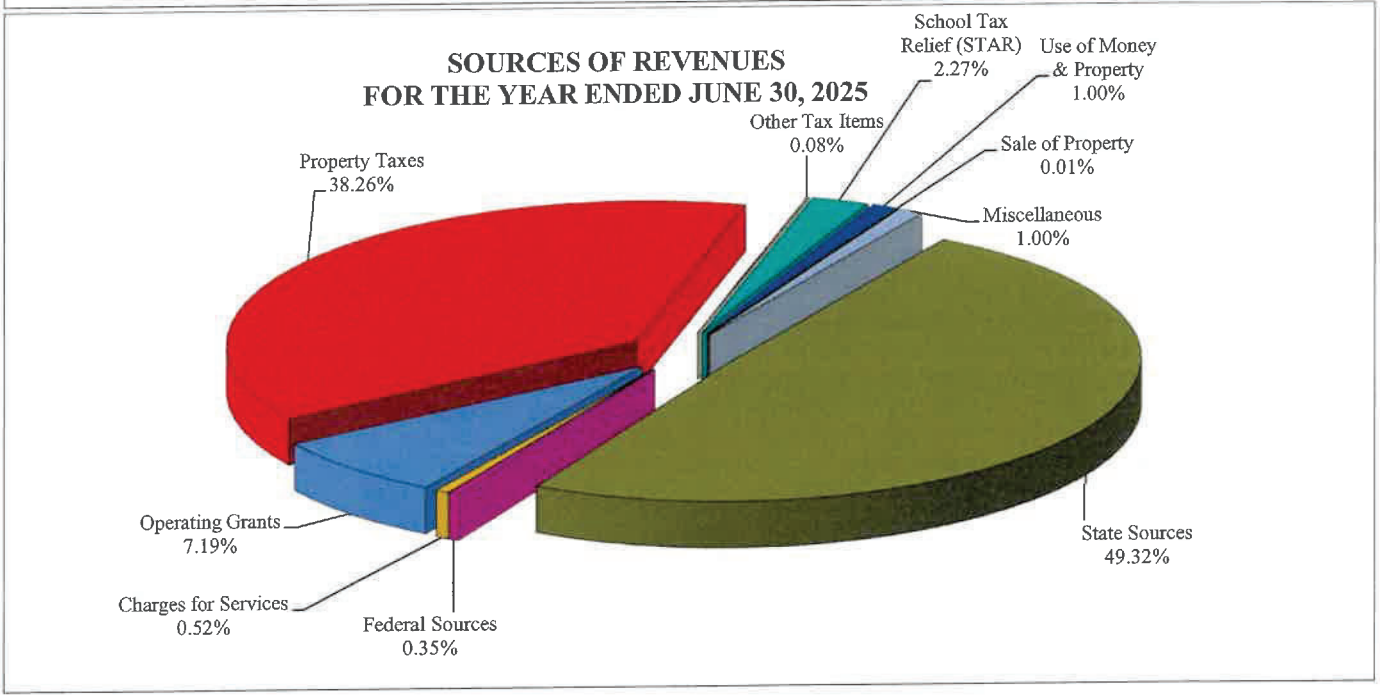
The District's unrestricted net position remained negative, which is common for governmental entities with significant long-term obligations related to pensions, other post-employment benefits, and debt issuances for capital projects. The negative unrestricted balances does not indicate a short-term liquidity problem in the General Fund; rather, it reflects the full accrual reporting of obligations that will be paid over time.

The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the year ended June 30, 2026 and 2025:

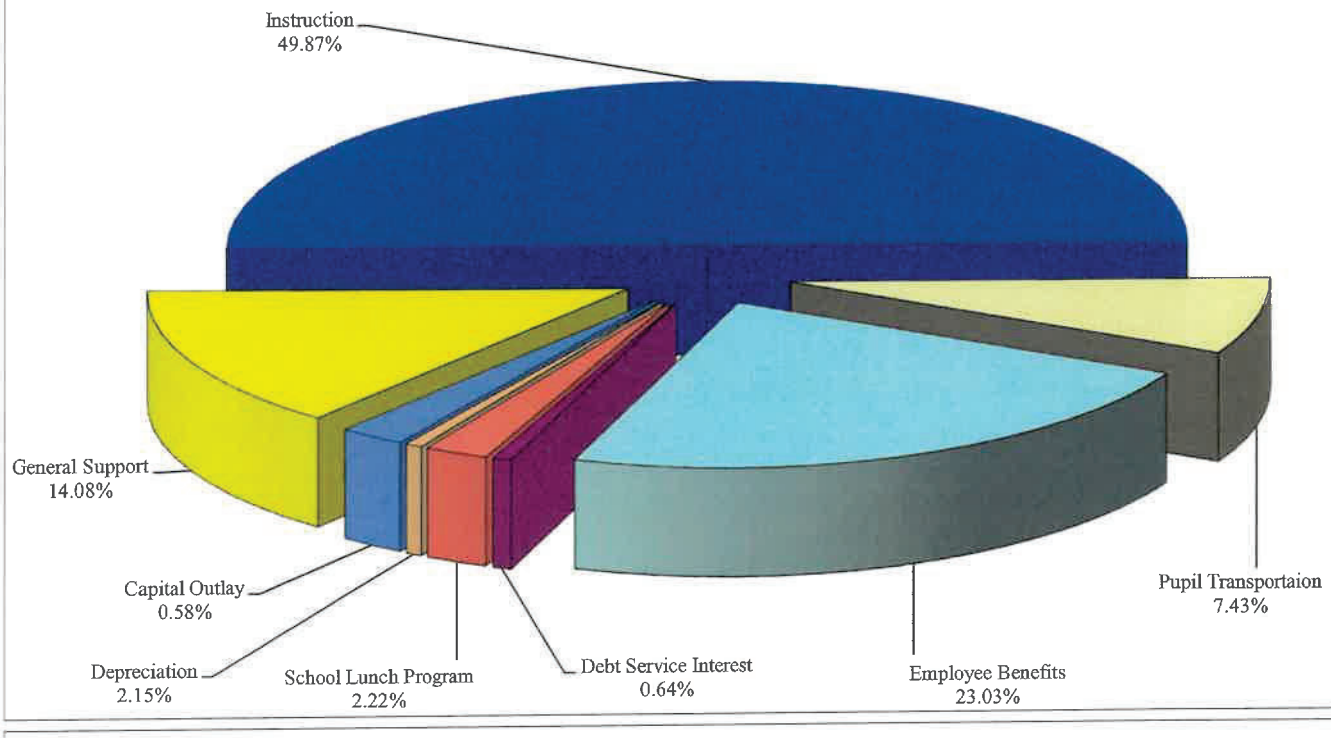
PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

	FOR THE YEAR ENDED JUNE 30, 2026	%	FOR THE YEAR ENDED JUNE 30, 2025	%	$ Change	% Change
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 810,234	0.50%	$ 816,144	0.52%	$ (5,910)	-0.72%
Operating Grants	10,741,596	6.59%	11,243,813	7.19%	(502,217)	-4.47%
GENERAL REVENUES:						
Property Taxes	61,099,787	37.49%	59,862,458	38.26%	1,237,329	2.07%
Other Tax Items	116,388	0.07%	121,007	0.08%	(4,619)	-3.82%
School Tax Relief (STAR)	3,324,160	2.04%	3,550,154	2.27%	(225,994)	-6.37%
Use of Money & Property	1,381,354	0.85%	1,563,750	1.00%	(182,396)	-11.66%
Sale of Property	1,188	0.00%	10,681	0.01%	(9,493)	-88.88%
Miscellaneous	1,786,073	1.10%	1,566,982	1.00%	219,091	13.98%
State Sources	83,382,033	51.17%	77,170,087	49.32%	6,211,946	8.05%
Federal Sources	302,069	0.19%	553,250	0.35%	(251,181)	-45.40%
TOTAL REVENUES	162,944,882	100.00%	156,458,326	100.00%	6,486,556	4.15%
EXPENSES						
General Support	22,301,929	14.08%	23,305,365	14.52%	(1,003,436)	-4.31%
Instruction	78,993,886	49.87%	77,531,421	48.31%	1,462,465	1.89%
Pupil Transportation	11,766,288	7.43%	10,027,542	6.25%	1,738,746	17.34%
Employee Benefits	36,465,577	23.03%	41,666,085	25.97%	(5,200,508)	-12.48%
Debt Service Interest	1,005,832	0.64%	1,170,289	0.73%	(164,457)	-14.05%
Depreciation	3,407,283	2.15%	2,698,595	1.68%	708,688	26.26%
Capital Outlay	902,737	0.58%	692,821	0.44%	209,916	30.30%
School Lunch Program	3,519,605	2.22%	3,365,032	2.10%	154,573	4.59%
TOTAL EXPENSES	158,363,136	100.00%	160,457,150	100.00%	(2,094,014)	-1.31%
CHANGES IN NET POSITION	$ 4,581,746		$ (3,998,824)		$ 8,580,570	214.58%

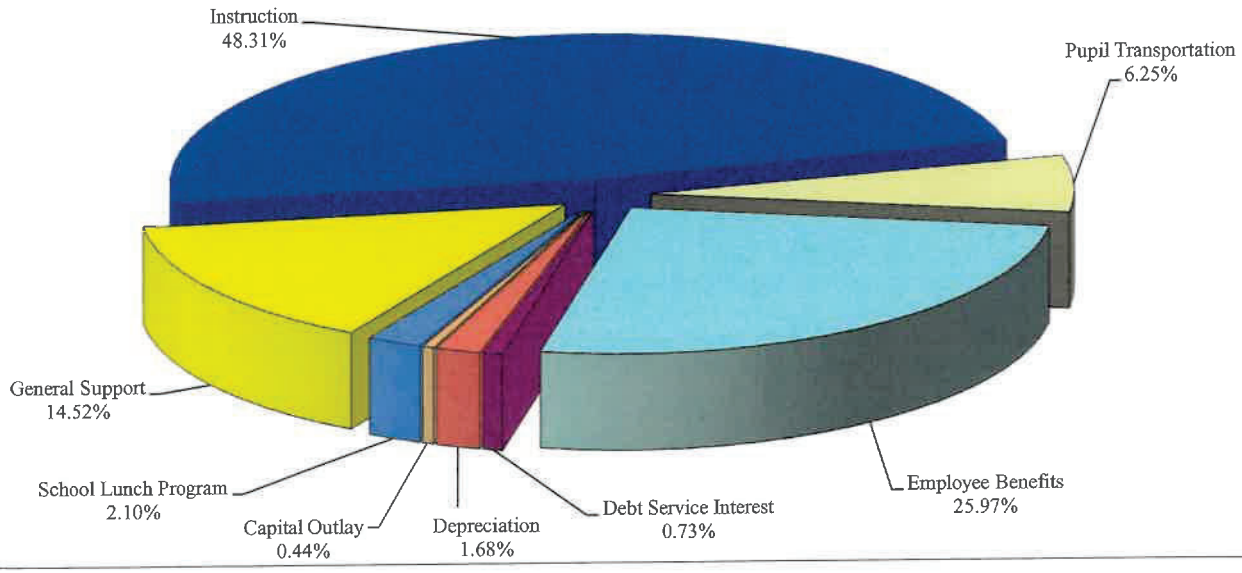

SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2026
School Tax Relief (STAR) 2.04%
Use of Money & Property 0.85%
Other Tax Items 0.07%
Miscellaneous 1.10%
Property Taxes 37.49%
Operating Grants 6.59%
Charges for Services 0.50%
Federal Sources 0.19%
State Sources 51.17%


SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2025
School Tax Relief (STAR) 2.27%
Use of Money & Property 1.00%
Other Tax Items 0.08%
Sale of Property 0.01%
Property Taxes 38.26%
Miscellaneous 1.00%
Operating Grants 7.19%
Charges for Services 0.52%
Federal Sources 0.35%
State Sources 49.32%

EXPENSES FOR THE YEAR ENDED JUNE 30, 2026



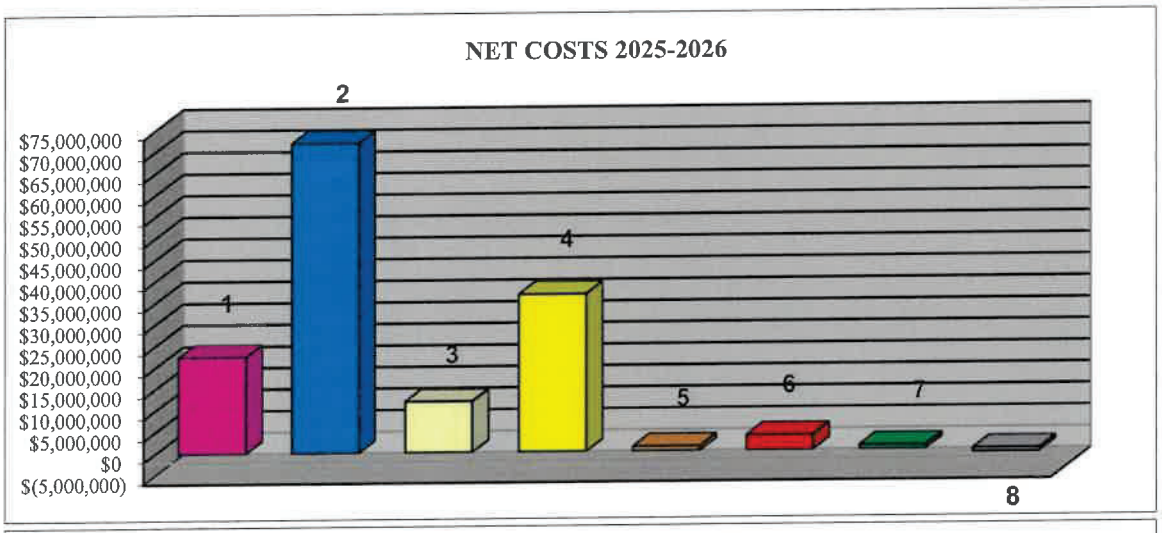
EXPENSES FOR THE YEAR ENDED JUNE 30, 2025

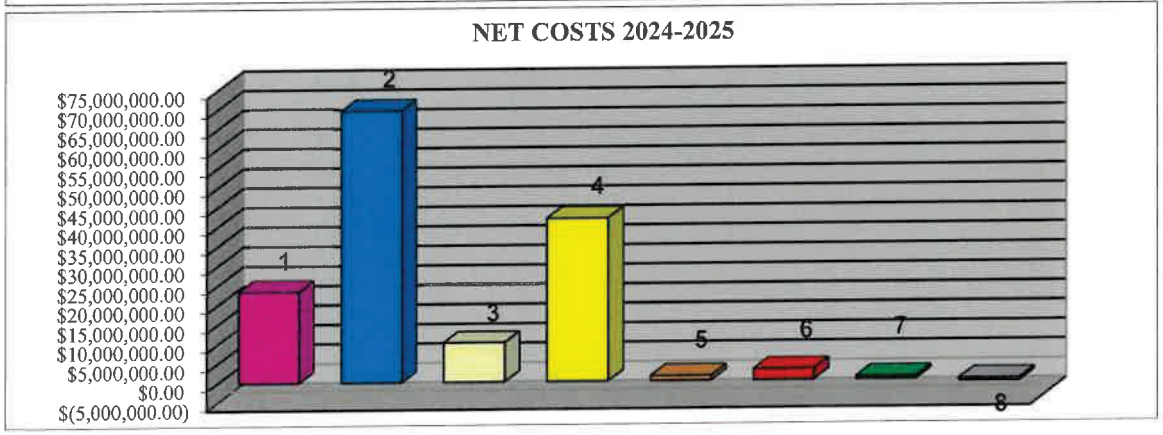


PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2025-2026	NET COST OF SERVICES 2025-2026	TOTAL COST OF SERVICES 2024-2025	NET COST OF SERVICES 2024-2025
General Support	1	$ 22,301,929	$ 22,301,929	$ 23,305,365	$ 23,305,365
Instruction	2	78,993,886	71,772,132	77,531,421	69,460,033
Pupil Transportation	3	11,766,288	11,766,288	10,027,542	10,027,542
Employee Benefits	4	36,465,577	36,465,577	41,666,085	41,666,085
Debt Service - Interest	5	1,005,832	1,005,832	1,170,289	1,170,289
Depreciation	6	3,407,283	3,407,283	2,698,595	2,698,595
Capital Outlay	7	902,737	902,737	692,821	692,821
Cost of Sales	8	3,519,605	(810,471)	3,365,032	(623,537)
		$ 158,363,136	$ 146,811,306	$ 160,457,150	$ 148,397,193





2. Financial Summary (Continued)

The increase in expenses was driven primarily by:

- Collectively bargained salary step and contractual increases;
- Higher health insurance premiums and other employee benefit costs;
- Transportation and fuel related cost increases;
- Expanded special education and student support services;
- Deprecation associated with completed capital projects.

These costs increases were partly offset by lower interest expense as older debt matured and higher portions of the District's outstanding bonds moved further into their amortization schedules.

Selected Governmental Fund Highlights

The District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund, Capital Projects Fund and Miscellaneous Special Revenue Fund. The total fund balances allocated between non-spendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2026				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 397,561	$ 9,811,690	$ 3,516,970	$ 12,433,511	$ 26,159,732
Special Aid	0	18,441	0	0	18,441
School Lunch	122,543	2,698,604	0	0	2,821,147
Capital Projects	0	0	0	(10,348,321)	(10,348,321)
Debt Service	0	1,198,550	0	0	1,198,550
Miscellaneous Special Revenue	0	250,268	0	0	250,268
	$ 520,104	$ 13,977,553	$ 3,516,970	$ 2,085,190	$ 20,099,817

	June 30, 2025				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 53,573	9,757,628	$ 3,211,251	$ 16,006,286	$ 29,028,738
Special Aid	0	18,440	0	0	18,440
School Lunch	121,806	2,925,840	0	0	3,047,646
Capital Projects	0	0	0	(7,514,466)	(7,514,466)
Debt Service	0	1,104,566	0	0	1,104,566
Miscellaneous Special Revenue	0	262,212	0	0	262,212
	$ 175,379	$ 14,068,686	$ 3,211,251	$ 8,491,820	$ 25,947,136

2. Financial Summary (Continued)

General Fund Balance – Decreased $2,869,006 from $29,028,738 to $26,159,732 primarily due to a transfer from unappropriated fund balance to the capital fund in the amount of $5,274,371 to close out the Capital Improvement Project authorized by voters in 2018. These costs were offset by recurring revenues of $149,361,109 exceeding recurring expenditures of $146,640,080. This excess reflects the District's commitment to conservative financial management and disciplined fiscal planning.

Special Aid Fund ended the year with a fund balance of $18,440. Revenues equaled expenditures for the year as the revenues of this fund are expenditure driven meaning that the District receives funds based on the amount of expenditures for each grant. The District is responsible for paying 20% of the approved cost as well as the difference between the actual and the approved rate for expenditures of the Summer Handicap program and as such transferred $315,663 from the General Fund budgeted amounts to the Special Aid Fund to cover these costs for the current year.

School Lunch Fund ended the year with a fund balance of $2,821,147. The expenditures exceeded revenues by $226,499. The District expended $728,982 in capital outlay to upgrade kitchen equipment throughout all seven schools. This effort was made as part of a plan submitted to NYS in 2023, to spend down excess fund balance. The reduction in fund balance reflects planned expenditures executed in accordance with the district's corrective action plan submitted to NYSED in 2023 to systematically spend down excess fund balance.

Capital Projects Fund ended the year with a deficit fund balance of $10,348,321. Costs incurred in the current year were $10,438,924. Revenue sources included a transfer from the General fund in the amount of $5,274,371. Costs were for various projects including new roofing at three buildings, HVAC upgrades throughout the district, and the start of work on the new track and field complex in Circleville. Capital expenditures were driven by active district-wide facility projects, including roof replacements across three school buildings, comprehensive HVAC system upgrades, and initial construction on the new track and field complex at the Circleville campus.

Debt Service Fund ended the year with a fund balance of $1,198,550. This fund balance will be appropriated in future years to offset principal and interest payments.

Miscellaneous Special Revenue Fund ended the year with a fund balance of $250,268. Expenditures exceeded revenues by $11,944.

3. Detailed Analysis
District-wide results of operations

Revenues

General Fund revenues increased by $5,035,602 or 3.49% in comparison to the 2024/2025 school year.

Total revenues increased by $6,486,556, or 4.15%. The most significant reasons were:

Property tax revenue increased, reflecting a voter-approved levy increase of 1.62% for the 2025-2026 school year. For many school districts in New York, property taxes remain the most significant locally generated revenue source.

State & Federal aid, The district received $57,190,383 of Foundation Aid revenue, in comparison to $53,383,754 for the 2024/2025 school year, which represents a 7.13% increase year over year.

Interest Earned Revenue: With lower prevailing short term interest, the district saw a decrease of $185,566 in interest earnings. This represents a decrease of approximately 13.7% from the prior year.

3. Detailed Analysis (Continued)

District-wide results of operations (Continued)

Revenues (Continued)

The Statement of Activities Summary of Changes in Net position highlights the District's continued dependence on property taxes and State aid to support instructional and support programs. As a result, changes in either the local tax base or State funding levels can significantly affect future operations.

Expenses

The District's largest function remains instruction, which is typical for school districts. Instruction and related support costs increased mainly because the District added staff in selected special education and intervention areas, experienced salary growth under negotiated agreements, and incurred higher instructional supply and contracted service costs.

Pupil transportation District wide transportation expenditures were up $771,215 (7%). Transportation costs grew at a faster rate than overall district expenses due to contractual vendor increases, rising fuel and vehicle maintenance costs, and an expansion of out-of-district specialized routes.

General support increased because of rising insurance, custodial, utilities, and technology costs, especially in buildings affected by recently completed renovations. Although new or improved facilities may reduce some repair costs over time, they can increase depreciation and short-term operating costs as systems are brought online.

Employee benefits and allocated costs, Included here is an increase to health insurance costs, which is an obligation all districts are grappling with. The costs increased by $877,065 or 4.14%, which is primarily due to the increase in annual premium of the Orange-Ulster Health Plan. Additionally, actuarial assumption changes affected pension- and OPEB-related expense. These items can change independently of current-year cash contributions and often create differences between district-wide and governmental fund results.

Interest on long-term debt decreased from $1,873,280 to 1,124,554 in 2025-2026. This net reduction is the result of an interest rate adjustment on a new bond issued in July 2025 combined with the final payoff/retirement of a 2009 debt obligation.

Analysis of financial position

Current and other assets

Current and other assets increased primarily because cash and investments held in the General Fund and Capital Projects Fund were higher at year-end.

- General Fund cash increased because revenues were received before all year-end liabilities were paid and because operations generated a modest surplus.
- State and federal aid receivables increased due to reimbursement timing on grants and expense-based aid.

3. Detailed Analysis (Continued)

Capital assets, net

Net capital assets increased by $6.4 million because current-year additions exceeded annual depreciation. The largest illustrative additions included:

- Athletic Facilities: Construction of a new track and field complex at Circleville Middle School.
- Building Envelope: Comprehensive roof replacements and upgrades at Crispell Middle School, Pakanasink Elementary School, and the Pine Bush High School.
- Climate Control: Installation of air conditioning in gymnasiums and cafeterias across all district buildings.
- Technology Infrastructure: Network switch upgrades to enhance school digital connectivity at all seven schools.

Liabilities and deferred inflows/outflows

Total liabilities decreased because reductions in bonded debt were less than the increases in pension- and OPEB-related obligations and by year-end construction-related payables. Deferred outflows and deferred inflows also changed due to actuarial assumptions, differences between expected and actual experience, investment performance, and changes in proportionate pension allocations, all of which are recognized under applicable accounting standards over future periods.

Governmental fund analysis

General Fund Budgetary Highlights

For the year ending June 30, 2026, the District received more revenue than budgeted totaling $2,597,206. This was primarily due to more State Sources being received than anticipated by $1,035,137 and funds received from Miscellaneous sources (primarily BOCES refund from prior year expenses) was more than budgeted by $650,368. The expenditures for the year ended June 30, 2026 were less than the adjusted budget and year end encumbrances by $3,082,079.

For year 2026-2027, the District has appropriated $3,385,038 from fund balance to reduce the tax levy. The voters approved a General Fund budget of $153,150,596, and increase of 2.2% over the 2025-26 budget. The budget includes a property tax levy increase of 3.42%, and continues to rely on Foundation Aid and Other State Aid as significant revenue sources.

Factors that continue to affect the budget process are as follows:

- New York State Aid revenues are being impacted due to state wide budget constraints.
- Employee benefits, such as, health benefits, teachers and employee's retirement continue to rise.
- Changes in legislation regarding school finance.
- Impending changes in educational standards.
- Energy costs that are significantly being increased.
- Transportation costs due to increases in fuel costs.
- "Tax Cap" Legislation
- Affordable Care Act

Management believes that the budget adopted for 2026-2027 is reasonably adaptable to any adverse changes that may arise based on the above factors. New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a "property tax cap" or more appropriately "voter approval threshold" on the amount that a school district's property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent or the rate of inflation, whichever is less. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast.

4. Significant Capital Asset and Long-Term Financing Activity

Capital asset activity

District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2026 was $129,295,687. The total increase in this net investment was 5.25% for the District as a whole. The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2025, was $122,842,743, as restated. The District expended $10,727,090 to acquire and construct capital assets during the year ended June 30, 2026. The District expended $303,961 during the year for the right of use assets. Depreciation expense for the year was $4,139,270 and amortization was $434,160.

CAPITAL ASSETS
Net of Accumulated Depreciation and Amortization

	School District Activities		
		As Restated	
	June 30, 2026	June 30, 2025	% Change
Non-Depreciable Assets:			
Land	$ 1,577,800	$ 1,577,800	0.00%
Construction in Progress	10,433,388	5,288,278	97.29%
Depreciable Assets:			
Building and Improvements	111,936,319	110,239,319	1.54%
Furniture and Equipment	4,035,759	4,309,143	-6.34%
Vehicles	221,728	207,311	6.95%
Right to Use Assets:			
Equipment	1,090,693	1,220,892	-10.66%
TOTALS	$ 129,295,687	$ 122,842,743	5.25%

Management believes these projects address deferred maintenance, improve the useful life of District facilities, and reduce the risk of service disruption. Some projects also are expected to qualify for State building aid, which can partially offset local financing costs over time. The current capital project continues to move forward on schedule, with Phase 3 anticipated for final completion in 2029. Looking beyond the active capital project, future facility priorities and infrastructure decisions will be directly guided by the findings of the district's updated Building Condition Survey (BCS).

4. Significant Capital Asset and Long-Term Financing Activity (Continued)

Long Term Financing Activity

The District finances major capital needs primarily through serial bonds, bond anticipation notes converted to permanent financing, and installment purchase obligations depending on project type and timing.

At the end of the year, the District had total bonded debt outstanding of $26,232,975. This amount is backed by the full faith and credit of the Pine Bush Central School District with debt service fully funded by voter approved property taxes. During the year, the District issued no serial bonds. The balances of bonded debt outstanding at year end were as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Installment Purchase Debt - EPC	$ 4,561,946	$ 0	$ 438,971	$ 4,122,975
Refunded Excel Project Debt	1,110,000	0	550,000	560,000
Capital Project Issues	6,250,000	0	1,000,000	5,250,000
Capital Project Bond	17,265,000	0	965,000	16,300,000
Total Bonded Debt Outstanding	$ 29,186,946	$ 0	$ 2,953,971	$ 26,232,975

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of Aa3 to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

The District's net investment in capital assets increased because capital additions exceeded depreciation and debt retired during the year was more than the portion of new borrowing attributable to assets not yet placed in service.

Debt management remains an important financial consideration for school districts because building needs are long-term in nature and often must be coordinated with voter authorization, State building aid exceptions, construction schedules, and statutory debt limits.

5. Currently Known Facts, Decisions, or Conditions

GASB 103 requires management to discuss currently know facts, decisions, or conditions expected to have a significant effect on financial position or results of operations. For school districts, relevant matters often include changes in the property tax base, student enrollment, and federal and State funding or education requirements.

5. Currently Known Facts, Decisions, or Conditions (Continued)

At the date of this report, the District is aware of the following illustrative matters that may affect future financial results:

Enrollment and program demand

Pine Bush Central School District has experienced a sustained decline in student enrollment over the past decade, a trend expected to continue based on the district's latest long-range demographic study. Official BEDS data shows PK-12 enrollment decreased from 5,223 students in October 2015 to 4,424 students in October 2025. Gradual enrollment decline directly reduces per-pupil state funding, requiring districts to proactively align staffing levels and variable costs, ideally through natural attrition, to prevent structural budget deficits. Concurrently, leadership must address high fixed overhead by evaluating long term facility utilization and potential consolidation to preserve core educational programming within a tighter operating budget.

Property tax base and local revenue capacity

The District's future local revenue growth depends in part on changes in assessed valuation, equalization factors, taxpayer composition, and the practical limits imposed by New York's tax levy environment. Slower growth in the tax base, successful assessment challenges, or economic softening in major commercial parcels could constrain future levy capacity and increase reliance on expenditure control or reserve planning.

State aid and federal funding

Because the District relies heavily on State aid, future operating results are sensitive to aid formula changes, State budget conditions, and the timing of aid payments.5 Federal grant funding also remains important for certain instructional and support programs. The expiration of temporary grants or changes in reimbursement rules could require the District to reduce programming, identify alternate funding sources, or absorb costs in the General Fund.

Labor, benefits, and inflationary pressures

The District expects continued pressure from negotiated salary increases, health insurance cost trends, retirement system contribution rate changes, utility inflation, and transportation market conditions. These costs may grow faster than recurring revenues unless offset by efficiency measures, staffing adjustments, or additional aid.

Capital planning and debt service

The District expects construction activity to continue into the next 2-3 fiscal years on projects already authorized. As capital projects progress across Pine Bush Central School District, accumulated construction-in-progress will convert into depreciable capital assets, resulting in an increase in annual depreciation expense. To meet project cash flow requirements prior to receiving New York State Building Aid reimbursements, the District plans to issue an authorized $18,500,000 Bond Anticipation Note (BAN), projected for funding before the end of calendar year 2026. District management will continuously evaluate the impact of new debt issuances on future debt service schedules and local tax levy requirements, factoring in anticipated NYS Building Aid receipts.

Concluding remarks

Overall, this illustrative District remains financially stable, with operating revenues sufficient to support current services and ongoing capital planning. Even so, future results will depend significantly on the interaction of local tax capacity, State aid levels, enrollment patterns, employee benefit trends, and the timing of capital financing. Management will continue to monitor these conditions and adjust financial plans as necessary.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brian Weir, Assistant Superintendent for Business, at the District's business offices at Route 302 Pine Bush, New York 12566.

SCHEDULE #1

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2026

ASSETS	
Unrestricted Cash	$ 10,206,826
Restricted Cash	13,977,552
State & Federal Aid Receivable	9,457,010
Due from Other Governments	1,472,464
Leases Receivable	21,893
Other Receivables, Net	51,308
Prepaid Expenditures	397,561
Inventories	122,543
Right to Use Asset, Net	1,090,693
Net Pension Asset - Proportionate Share (TRS)	15,115,592
Non Depreciable Capital Assets	12,011,188
Depreciable Capital Assets, Net	116,193,806
TOTAL ASSETS	180,118,436
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	21,616,442
Other Postemployment Benefits	33,358,253
Deferred Charges on Refunding	814
TOTAL DEFERRED OUTFLOWS OF RESOURCES	54,975,509
LIABILITIES	
Accounts Payable	7,204,354
Accrued Liabilities	2,179,950
Due to Other Governments	62
Due to Teachers' Retirement System	5,749,035
Due to Employees' Retirement System	603,779
Unearned Revenues	75,087
Other Liabilities	52,636
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (including deferred amount on refunding)	2,650,862
Lease Liability	64,579
Installment Purchase Debt	448,174
Compensated Absences	3,640,386
Due and Payable In More Than One Year:	
Bonds Payable (including deferred amount on refunding)	19,535,000
Lease Liability	164,197
Installment Purchase Debt	3,674,801
Compensated Absences	16,104,744
Net Pension Liability - Proportionate Share (ERS)	1,786,630
Other Postemployment Benefits	251,625,894
TOTAL LIABILITIES	315,560,170
DEFERRED INFLOWS OF RESOURCES	
Deferred Lease Revenue	21,893
Pensions	15,373,770
Other Postemployment Benefits	82,355,198
TOTAL DEFERRED INFLOWS OF RESOURCES	97,750,861
NET POSITION	
Net Investment in Capital Assets	102,758,888
Restricted	29,093,144
Unrestricted (Deficit)	(310,069,118)
TOTAL NET POSITION	$ (178,217,086)

See notes to financial statement.

SCHEDULE #2

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

FUNCTIONS & PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
General Support	$ (29,871,448)	$ 0	$ 0	$ (29,871,448)
Instruction	(107,095,607)	724,605	6,497,149	(99,873,853)
Pupil Transportation	(15,508,672)	0	0	(15,508,672)
Debt Service - Interest	(1,005,832)	0	0	(1,005,832)
Capital Outlay	(902,737)	0	0	(902,737)
Cost of Sales	(3,978,841)	85,629	4,244,447	351,235
TOTAL FUNCTIONS & PROGRAMS	$ (158,363,136)	$ 810,234	$ 10,741,596	(146,811,306)
GENERAL REVENUES				
Real Property Taxes				61,099,787
Other Tax Items				3,440,548
Use of Money & Property				1,381,354
Sale of Property & Compensation for Loss				1,188
Miscellaneous				1,786,073
State Sources				83,382,033
Federal Sources				302,069
TOTAL GENERAL REVENUES				151,393,052
CHANGE IN NET POSITION				4,581,746
NET POSITION, BEGINNING OF YEAR, AS RESTATED				(182,798,832)
NET POSITION, END OF YEAR				$ (178,217,086)

See notes to financial statement.

SCHEDULE #3

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Unrestricted Cash	$ 10,206,826	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,206,826
Restricted Cash	9,635,315	10,506	2,757,136	162,064	1,162,253	250,278	13,977,552
State & Federal Aid Receivable	6,002,211	3,001,067	453,732	0	0	0	9,457,010
Due from Other Governments	1,472,464	0	0	0	0	0	1,472,464
Due from Other Funds	10,861,714	0	0	272	36,297	0	10,898,283
Leases Receivable	21,893	0	0	0	0	0	21,893
Other Receivables, Net	49,327	0	1,981	0	0	0	51,308
Prepaid Expenditures	397,561	0	0	0	0	0	397,561
Inventories	0	0	122,543	0	0	0	122,543
TOTAL ASSETS	$ 38,647,311	$ 3,011,573	$ 3,335,392	$ 162,336	$ 1,198,550	$ 250,278	$ 46,605,440
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 4,892,304	$ 28,432	$ 406,444	1,877,164	$ 0	$ 10	$ 7,204,354
Accrued Liabilities	974,455	14,991	68,112	698,120	0	0	1,755,678
Due to Other Governments	0	0	62	0	0	0	62
Due to Other Funds	272	2,944,866	17,772	7,935,373	0	0	10,898,283
Due to Teachers' Retirement System	5,749,035	0	0	0	0	0	5,749,035
Due to Employees' Retirement System	603,779	0	0	0	0	0	603,779
Compensated Absences Payable	144,817	0	0	0	0	0	144,817
Unearned Revenues	53,232	0	21,855	0	0	0	75,087
Other Liabilities	47,792	4,844	0	0	0	0	52,636
TOTAL LIABILITIES	12,465,686	2,993,133	514,245	10,510,657	0	10	26,483,731
DEFERRED INFLOWS OF RESOURCES							
Deferred Lease Revenue	21,893	0	0	0	0	0	21,893
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	12,487,579	2,993,133	514,245	10,510,657	0	10	26,505,624
FUND BALANCES							
Nonspendable	397,561	0	122,543	0	0	0	520,104
Restricted	9,811,690	18,440	2,698,604	0	1,198,550	250,268	13,977,552
Assigned	3,516,970	0	0	0	0	0	3,516,970
Unassigned	12,433,511	0	0	(10,348,321)	0	0	2,085,190
TOTAL FUND BALANCES	26,159,732	18,440	2,821,147	(10,348,321)	1,198,550	250,268	20,099,816
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	$ 38,647,311	$ 3,011,573	$ 3,335,392	$ 162,336	$ 1,198,550	$ 250,278	$ 46,605,440

See notes to financial statement.

SCHEDULE #4

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS				
Unrestricted Cash	$ 10,206,826	$ 0	$ 0	$ 10,206,826
Restricted Cash	13,977,552	0	0	13,977,552
State & Federal Aid Receivable	9,457,010	0	0	9,457,010
Due from Other Governments	1,472,464	0	0	1,472,464
Due from Other Funds	10,898,283	0	(10,898,283)	0
Leases Receivable	21,893	0	0	21,893
Other Receivables, Net	51,308	0	0	51,308
Prepaid Expenditures	397,561	0	0	397,561
Inventories	122,543	0	0	122,543
Right to Use Asset, Net	0	1,090,693	0	1,090,693
Net Pension Asset - Proportionate Share (TRS)	0	15,115,592	0	15,115,592
Non Depreciable Capital Assets	0	12,011,188	0	12,011,188
Depreciable Capital Assets, Net	0	116,193,806	0	116,193,806
TOTAL ASSETS	46,605,440	144,411,279	(10,898,283)	180,118,436
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	0	21,616,442	0	21,616,442
Other Post Employment Benefits	0	33,358,253	0	33,358,253
Deferred Charges on Refunding	0	814	0	814
TOTAL DEFERRED OUTFLOWS OR RESOURCES	0	54,975,509	0	54,975,509
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 46,605,440	$ 199,386,788	$ (10,898,283)	$ 235,093,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	$ 7,204,354	$ 0	$ 0	$ 7,204,354
Accrued Liabilities	1,755,678	424,272	0	2,179,950
Due to Other Governments	62	0	0	62
Due to Other Funds	10,898,283	0	(10,898,283)	0
Due to Teachers' Retirement System	5,749,035	0	0	5,749,035
Due to Employees' Retirement System	603,779	0	0	603,779
Compensated Absences Payable	144,817	19,600,313	0	19,745,130
Other Liabilities	52,636	0	0	52,636
Unearned Revenues	75,087	0	0	75,087
Bonds Payable (including deferred amount on refunding)	0	22,185,862	0	22,185,862
Lease Liability	0	228,776	0	228,776
Installment Purchase Debt	0	4,122,975	0	4,122,975
Net Pension Liability - Proportionate Share (ERS)	0	1,786,630	0	1,786,630
Other Postemployment Benefits	0	251,625,894	0	251,625,894
TOTAL LIABILITIES	26,483,731	299,974,722	(10,898,283)	315,560,170
DEFERRED INFLOWS OF RESOURCES				
Deferred Lease Revenue	21,893	0	0	21,893
Pensions	0	15,373,770	0	15,373,770
Other Post Employment Benefits	0	82,355,198	0	82,355,198
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	26,505,624	397,703,690	(10,898,283)	413,311,031
FUND BALANCES / NET POSITION	20,099,816	(198,316,902)	0	(178,217,086)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	$ 46,605,440	$ 199,386,788	$ (10,898,283)	$ 235,093,945

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	DEBT SERVICE	MISCELLANEOUS SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Real Property Taxes	$ 61,099,787	$ 0	$ 0	$ 0	$ 0	$ 0	$ 61,099,787
Other Tax Items	3,440,548	0	0	0	0	0	3,440,548
Charges for Services	724,605	0	0	0	0	0	724,605
Use of Money & Property	1,168,013	0	68,463	85,067	57,984	1,827	1,381,354
Sale of Property & Compensation for Loss	1,188	0	0	0	0	0	1,188
Miscellaneous	1,339,368	0	30,221	0	0	451,381	1,820,970
State Sources	81,285,531	3,087,274	1,284,929	2,096,502	0	0	87,754,236
Federal Sources	302,069	3,409,875	2,959,518	0	0	0	6,671,462
Sales	0	0	55,408	0	0	0	55,408
TOTAL REVENUES	149,361,109	6,497,149	4,398,539	2,181,569	57,984	453,208	162,949,558
EXPENDITURES							
General Support	16,666,527	5,525,604	1,571,486	0	0	0	23,763,617
Instruction	78,996,858	0	0	0	0	465,152	79,462,010
Pupil Transportation	11,349,337	416,951	0	0	0	0	11,766,288
Employee Benefits	34,982,709	870,257	391,090	0	0	0	36,244,056
Debt Service:							
Principal	3,052,732	0	0	0	0	0	3,052,732
Interest	1,129,998	0	0	0	0	0	1,129,998
Cost of Sales	0	0	1,933,480	0	0	0	1,933,480
Capital Outlay	461,921	0	728,982	10,438,924	0	0	11,629,827
TOTAL EXPENDITURES	146,640,081	6,812,812	4,625,038	10,438,924	0	465,152	168,982,007
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	2,721,028	(315,663)	(226,499)	(8,257,355)	57,984	(11,944)	(6,032,449)
OTHER SOURCES & USES							
Lease	0	0	0	185,129	0	0	185,129
Operating Transfers In	0	315,663	0	5,274,371	36,000	0	5,626,034
Operating Transfers (Out)	(5,590,034)	0	0	(36,000)	0	0	(5,626,034)
TOTAL OTHER SOURCES & USES	(5,590,034)	315,663	0	5,423,500	36,000	0	185,129
NET CHANGE IN FUND BALANCES	(2,869,006)	0	(226,499)	(2,833,855)	93,984	(11,944)	(5,847,320)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	29,028,738	18,440	3,047,646	(7,514,466)	1,104,566	262,212	25,947,136
FUND BALANCES (DEFICITS), END OF YEAR	$ 26,159,732	$ 18,440	$ 2,821,147	$ (10,348,321)	$ 1,198,550	$ 250,268	$ 20,099,816

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 61,099,787	$ 0	$ 0	$ 0	$ 0	$ 61,099,787
Other Tax Items	3,440,548	0	0	0	0	3,440,548
Charges for Services	724,605	0	0	0	0	724,605
Use of Money & Property	1,381,354	0	0	0	0	1,381,354
Sale of Property & Compensation for Loss	1,188	0	0	0	0	1,188
Miscellaneous	1,820,970	0	(4,676)	0	0	1,816,294
State Sources	87,754,236	0	0	0	0	87,754,236
Federal Sources	6,671,462	0	0	0	0	6,671,462
Sales	55,408	0	0	0	0	55,408
TOTAL REVENUES	162,949,558	0	(4,676)	0	0	162,944,882
EXPENDITURES						
General Support	23,763,617	0	620,891	0	5,486,940	29,871,448
Instruction	79,462,010	(1,205,873)	3,565,793	0	25,273,677	107,095,607
Pupil Transportation	11,766,288	0	0	0	3,742,384	15,508,672
Employee Benefits	36,244,056	221,521	0	0	(36,465,577)	0
Debt Service:						
Principal	3,052,732	0	0	(3,052,732)	0	0
Interest	1,129,998	(48,309)	0	(75,857)	0	1,005,832
Cost of Sales	1,933,480	0	82,785	0	1,962,576	3,978,841
Capital Outlay	11,629,827	0	(10,727,090)	0	0	902,737
TOTAL EXPENDITURES	168,982,007	(1,032,661)	(6,457,621)	(3,128,589)	0	158,363,136
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(6,032,449)	1,032,661	6,452,945	3,128,589	0	4,581,746
OTHER SOURCES & USES						
Leases	185,129	0	0	(185,129)	0	0
Operating Transfers In	5,626,034	0	0	0	(5,626,034)	0
Operating Transfers (Out)	(5,626,034)	0	0	0	5,626,034	0
TOTAL OTHER SOURCES & USES	185,129	0	0	(185,129)	0	0
NET CHANGE FOR THE YEAR	$ (5,847,320)	$ 1,032,661	$ 6,452,945	$ 2,943,460	$ 0	$ 4,581,746

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2026

	PRIVATE PURPOSE TRUSTS
ASSETS	
Cash	$ 171,956
TOTAL ASSETS	$ 171,956
LIABILITIES & NET POSITION	
LIABILITIES	$ 0
NET POSITION	
Restricted	171,956
TOTAL LIABILITIES & NET POSITION	$ 171,956

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	PRIVATE PURPOSE TRUSTS
ADDITIONS	
Gifts and Contributions	$ 77,734
Investment Earnings	321
TOTAL ADDITIONS	78,055
DEDUCTIONS	
Scholarships & Awards	23,689
TOTAL DEDUCTIONS	23,689
CHANGE IN NET POSITION	54,366
NET POSITION, BEGINNING OF YEAR	117,590
NET POSITION, END OF YEAR	$ 171,956

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Pine Bush Central School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Where comparative amounts are presented, certain reclassifications may have been made to the prior year amounts so that they would be in conformity with the current year's presentation. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

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

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

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

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in the miscellaneous special revenue fund.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture

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

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

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

During the year ended June 30, 2026, the Pine Bush Central School District was billed $18,921,671 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $5,091,297. Financial statements for BOCES are available from the BOCES administrative office at 53 Gibson Road Goshen, NY 10924.

C. Basis of Presentation

1. District-Wide Statements

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

The Statement of Net Position presents the financial position of the District at June 30, 2026. The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended in those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

Special Aid Fund: Used to account for proceeds received from State and Federal grants that are restricted for educational programs.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for Extraclassroom Activity Funds.

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

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

The District reports the following fiduciary funds:

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

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements (Continued)

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

D. Measurement Focus and Basis of Accounting

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 23, 2025. Taxes were collected during the period September 1, 2024 through November 17, 2025.

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

F. Restricted Resources

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

G. Interfund Transactions

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

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

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

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

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

I. Cash and Investments

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

I. Cash and Investments (Continued)

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

J. Accounts Receivable

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

K. Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Inventory at June 30, 2026 was $122,543.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. There were $397,561 in prepaid items at June 30, 2026.

L. Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

M. Capital Assets

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building Improvements	$ 5,000	Straight Line	33 years
Buildings	5,000	Straight Line	33 years
Furniture and Equipment	5,000	Straight Line	10 years

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Right to Use Assets

A right of use assets is a lessee's right to use and asset over the life of the lease. Right to Use Assets are reported a present value.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The District reports deferred amounts on refunding in the Statement of Net Position as a deferred outflow of resources. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second deferred outflow is related to pensions reported in the Statement of Net Position. For additional information on these deferred outflows related to pensions, see Note 11. The third deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 13.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The District reports deferred inflows of resources in the Statement of Net Position related to pensions reported in the district-wide statements. For additional information on deferred inflows related to pensions, see Note 11. The District also reports deferred inflows of resources in the Statement of Net Position related to other postemployment benefits reported in the district-wide statements. For additional information on deferred inflows related to other postemployment benefits see Note 13. The District also reports deferred lease revenue in this category.

P. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Vested Employee Benefits

1. Compensated Absences

A compensated absence is leave for which employees may receive one or more cash payments when the leave is used for time off, other cash payments, or noncash settlements. The payment or settlement could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. Examples of compensated absences include vacation (or annual) leave, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave.

Compensated absence eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Some earned benefits may be forfeited if not taken in varying time periods. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

Consistent with GASB Statement 101, *Compensated Absences*, the liability has been calculated for leave that has not been used and leave that has been used but not yet paid or settled. The liability includes applicable salary-related payments.

Leave that has not been used includes leave that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. When evaluating whether leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, management assesses relevant factors, including employment policies related to compensated absences, whether leave that has been earned is, or will become, eligible for use or payment in the future, historical information about the use, payment, or forfeiture of compensated absences, and information known to the District that would indicate that historical information may not be representative of future trends or patterns. This leave is generally measured using an employee's pay rate as of the date of the financial statements. If some or all of the leave is more likely than not to be paid at a rate different from the employee's pay rate at the time the payment is made, the District measures that portion of the liability using that different rate as of the date of the financial statements. For leave that is not attributable to a specific employee as of the date of the financial statements, the District measures the liability using an estimated pay rate that is representative of the eligible employee population.

For types of compensated absences that are dependent upon the occurrence of a sporadic event (such as parental, military and jury duty leave) that affect a relatively small proportion of employees in any particular reporting period, the District does not recognize a liability until the leave commences.

The District reports a liability for leave that has been used for time off but has not yet been paid in cash or settled through noncash means. This liability, including any applicable salary-related payments, is measured at the amount of the cash payment or noncash settlement to be made for the use of the leave.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Vested Employee Benefits (Continued)

1. Compensated Absences (Continued)

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources, as discussed in paragraph 14 of Interpretation 6, as amended.

2. Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. 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 District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. Short-Term Debt

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any 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 year succeeding the year in which the note was issued.

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Short-Term Debt (Continued)

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

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

1. District-wide Statements

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

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

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

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

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements

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

1. Non-spendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Non-spendable fund balance includes prepaid items in the General Fund of $397,561 and inventory in the School Lunch Fund of $122,543.

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

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 District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

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 that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth year after deposit of these monies. The reserve is accounted for in the General fund.

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 legally appropriated. The reserve is accounted for in the General Fund.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)
2. Restricted: (Continued)

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. Expenditure's 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.

Restricted fund balance at June 30, 2026 consisted of:

General Fund:		
Capital Reserve	$ 6,000,000	
Tax Certiorari Reserve	1,015,931	
Employee Benefit Accrued Liability Reserve	2,795,759	
Total General Fund		$ 9,811,690
Special Aid Fund		18,440
School Lunch Fund		2,698,604
Debt Service Fund		1,198,550
Special Revenue Fund		250,268
Total Restricted Fund Balance		$ 13,977,552

3. Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2026.

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

5. Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed and 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.

Limitation on Unexpended Surplus Funds:

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

U. New Accounting Standards

GASB has issued Statement 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. The district has implemented GASB Statement 104, as required. The implementation of GASB Statement No. 103 did not result in a restatement of beginning net position, fund balance, or fund net position because the changes were limited to presentation and disclosure. The district's implementation did not change total net position, fund balance, or change in net position for the year ended June 30, 2026.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. New Accounting Standards

GASB has issued Statement 104, *Disclosure of Certain Capital Assets*, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed in the capital assets note disclosures required by Statement 34. Leased assets, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, subscription assets and intangible assets should all be disclosed separately by major class. The district has implemented GASB Statement 104, as required. The implementation affected the presentation of the following financial statement line items: capital assets, net; accumulated depreciation; lease assets; intangible right-to-use assets; accumulated amortization. The implementation did not change total net position or change in net position for the year end June 30, 2026.

V. Future Changes in Accounting Standards

GASB has issued Statement 105, *Subsequent Events*, the objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of the financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. This Statement also requires the date through which subsequent events have been evaluated to be disclosed and clarifies the subsequent events that constitute recognized and nonrecognized events. It also establishes specific note disclosure requirements for nonrecognized events. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2027 financial statements.

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

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional
long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2026 were as follows:

Original Cost of Capital Assets	$ 207,366,371
Accumulated Depreciation	(79,161,377)
	$ 128,204,994

2. The cost of right to use assets (equipment) financed from governmental funds are reported as expenditures in the year they incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with the present value capitalized and amortization expensed annually over the period of use. The balances at June 30, 2026 were as follows:

Right to Use Assets	$ 2,282,017
Accumulated Amortization	(1,191,324)
	$ 1,090,693

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities: (Continued)

3. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2026 were as follows:

Net Pension Asset - Proportionate Share (TRS)	$ 15,115,592
Deferred Outflows of Resources - Pensions	21,616,442
Net Pension Liabilities - Proportionate Share (ERS)	(1,786,630)
Deferred Inflows of Resources - Pensions	(15,373,770)
	$ 19,571,634

4. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The balance at June 30, 2026 was as follows:

Deferred Charges on Refunding	$ 814

5. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requiring the use of current financial resources. This liability at June 30, 2026 was as follows:

Accrued Interest	$ 424,272

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities: (Continued)

6. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2026 were as follows:

Bonds Payable	$ 22,110,000
Deferred Amount on Refunding	75,861
Lease Liability	228,776
Installment Purchase Debt	4,122,975
Compensated Absences	19,600,313
Deferred Outflows of Resources - OPEB	(33,358,253)
Other Postemployment Benefits	251,625,894
Deferred Inflows of Resources - OPEB	82,355,198
	$ 346,760,764

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities and Changes in Net Position fall into one of five broad categories. The amounts shown below represent:

1. Long-Term Revenue Differences

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

2. 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.

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

3. 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.

4. Pension Plan Transaction Differences

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

5. Other Post Employment Benefit (OPEB) Related Differences

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

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds (Schedule 5)	$	162,949,558
Difference upon disposal/reclassification of assets.		(4,676)
Total revenues in the Statement of Activities (Schedule 2)	$	162,944,882

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities

Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	$	168,982,007
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $10,727,090 were more than depreciation of $4,139,270 in the current year.		(6,587,820)
When the lease of right to use assets are financed through governmental funds, the resources expended for those asset are reported as expenditures in the years they are paid for. However, in the Statement of Activities, the present value of those assets is capitalized and the expense is allocated over the period of use and reported as amortization expense. This is the amount by which amortization of $287,954 was less than the present value of right to use assets of $484,192 purchased in the current year.		130,199
In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which compensated absences earned was more than the the amount used during the year.		(1,205,873)
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year was less than the interest payable last year.		(48,309)

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

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities and Changes in Net Position (Continued):

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities and Changes in Net Position (Continued)

In the Statement of Activities , the expense for other post employment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows or resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (esentially the amounts actually paid). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	5,608,088
In the Statement of Activities , pension expense relate to ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was greater than the amount of financial resources expended during the year.	(5,386,567)
Premiums and discounts on long-term debt issuances, bond issuance costs and deferred amounts from debt refunding are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities and change the Net Position. This is the amount that was amortized during the current year.	(75,857)
Payment of lease principle is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does affect the Statement of Activities.	(98,761)
Repayment of BANS, bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities and Changes in Net Position.	(2,953,971)
Total expenses in the Statement of Activities (Schedule 2)	$ 158,363,136

NOTE 3. CHANGE IN ACCOUNTING PRINCIPLE.

During the fiscal year ended June 30, 2026, the Pine Bush Central School District adopted GASB Statement No. 103, Financial Reporting Model Improvements. The objective of the Statement is to enhance the effectiveness of the financial reporting model by improving the information provided for decision-making and assessing accountability, as well as increasing consistency and comparability across government entities.

NOTE 4. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the 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 the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the year are shown on Supplemental Schedule #5.

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. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2026.

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

NOTE 4. STEWARDSHIP AND COMPLIANCE. (Continued)

B. Encumbrances

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

C. Other Stewardship and Compliance Matters

The District's fund balance subject to New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year, was in excess of the 4% limitation. The District plans to review health and safety issues within the District and make budgetary adjustments where necessary to address this issue.

The District did not make transfers among functional units in accordance with §170.2(I) of the New York State Commissioner of Education's Regulations, which provide that the Board shall have the power and duty to make transfers between and within functional unit appropriations for teachers' salaries and ordinary contingent expenses.

NOTE 5. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

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

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

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or or its trust department or agent, but not in the District's name	$ 29,029,919

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $13,977,552 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

NOTE 5. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL. (Continued)

The District participates in multi-municipal cooperative investment pool agreements pursuant to New York State General Municipal Law Article 5-G, Section 110-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the NYClass cooperative as of year-end are $15,823,474,053, which consisted of $3,385,400,000 in repurchase agreements, $9,662,140,588 in U.S. Treasury Bills, $1,811,512,965 in U. S. Treasury Securities and $964,420,500 in collateralized bank deposits all with various interest rate and due dates.

NOTE 6. CAPITAL ASSETS.

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

	Beginning Balance as Previously Reported	Correction of Error	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:					
Capital assets that are not depreciated:					
Land	$ 1,577,800	$ 0	$ 0	$ 0	$ 1,577,800
Construction in Progress	5,288,278	0	10,254,069	(5,108,959)	10,433,388
Total Nondepreciable Assets	6,866,078	0	10,254,069	(5,108,959)	12,011,188
Capital assets that are depreciated:					
Buildings and Improvements	181,333,282	(228,477)	0	5,104,283	186,209,088
Furniture & Equipment	7,689,085	102,817	392,513	0	8,184,414
Vehicles	126,165	755,008	80,508	0	961,681
Total Depreciable Assets	189,148,532	629,348	473,021	5,104,283	195,355,183
Less: Accumulated					
Buildings and Improvements	(70,031,417)	(834,069)	(3,407,283)	0	(74,272,769)
Furniture & Equipment	(5,750,966)	2,268,206	(665,896)	0	(4,148,656)
Vehicles	(30,000)	(643,862)	(66,091)	0	(739,952)
Depreciation	(75,812,383)	790,275	(4,139,270)	0	(79,161,377)
Capital Assets, Net	$ 120,202,227	$ 1,419,623	$ 6,587,820	$ (4,676)	$ 128,204,994

NOTE 6. CAPITAL ASSETS. (Continued)

Depreciation expense was charged to governmental functions as follows:

General Support	620,891
Instruction	3,435,594
Cost of Sales	82,785
Total Depreciation	$ 4,139,270

NOTE 7. RIGHT OF USE ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Right to use assets that are amortized:				
Equipment	$ 1,978,056	$ 303,961	$ (27,328)	2,254,689
Less: Accumulated Amortization	(757,164)	(434,160)	27,328	(1,163,996)
Right to Use Assets, Net	$ 1,220,892	$ (130,199)	$ 0	$ 1,090,693

Instruction	$ 434,160
Total Amortization	$ 434,160

NOTE 8. LEASE RECEIVABLE.

Lease Receivable	Lease Receivable	Lease Revenue	Lease Interest Revenue
Verizon Wireless Cell Tower	$ 21,893	$ 24,000	$ 4,984

Verizon Wireless Cell Tower – On October 26, 2020 the District entered into a lease agreement with Verizon Wireless for the Cell Tower which commenced on 09/14/2022. Based on the agreement the District will lease payments annually for a term of ten years. This lease may be extended for two additional terms of five years each. The initial billing did not take place prior to year-end.

NOTE 9. LONG-TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable	$ 24,625,000	$ 0	$ 2,515,000	$ 22,110,000	$ 2,575,000
Deferred Amount on Refunding	151,718	0	75,861	75,857	75,861
Installment Purchase Debt	4,561,946	0	438,971	4,122,975	448,174
Total Bonds and Notes Payable	29,338,664	0	3,029,832	26,308,832	3,099,035
Other Liabilities:					
Compensated Absences	20,806,186	0	1,061,056	19,745,130	3,640,386
Lease Liability	142,407	185,129	98,760	228,776	64,578
Other Postemployment Benefits	291,098,401	(31,369,325)	8,103,182	251,625,894	0
Net Pension Liability Proportionate Share	5,097,206	0	3,310,576	1,786,630	0
Total Other Liabilities	317,144,200	(31,184,196)	12,573,574	273,386,430	3,704,964
Total Long-Term Liabilities	$ 346,482,864	$ (31,184,196)	$ 15,603,406	$ 299,695,262	$ 6,803,999

The General Fund has typically been used to liquidate long-term liabilities other than compensated absences. The District has elected to present the increase or decrease in the compensated absences liability as a net amount as permitted by GASB Statement 101.

At June 30, 2026, the deferred amount on refunding includes unamortized premiums of $75,857. This amount is being amortized over the life of the debt issuance to which it relates. Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Balance
Installment Purchase Debt - EPC	2020	2034	2.09%	$ 4,122,975
Excel Project Refunded Debt	2019	2027	Varies	560,000
Capital Project Issue	2016	2031	Varies	5,250,000
Capital Project Bond	2023	2038	5.00%	16,300,000
				$ 26,232,975

NOTE 9. LONG-TERM DEBT. (Continued)

The following is a summary of maturing debt service requirements:

For the Year Ended June 30,	Bonds and Notes Payable	
	Principal	Interest
2027	$ 3,023,174	$ 1,018,352
2028	2,577,570	908,831
2029	2,642,163	823,363
2030	2,706,957	732,319
2031	2,826,956	636,882
2032 - 2036	9,021,156	1,874,402
2033 and Thereafter	3,435,000	173,875
TOTAL	$ 26,232,976	$ 6,168,024

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

Interest paid	$ 1,129,998
Less: Interest accrued in the prior year	(472,581)
Plus: Amortization of premiums, deferred amounts on refunding and bond issue costs.	(75,857)
Plus: Interest accrued in the current year	424,272
Total interest expense	$ 1,005,832

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2026 $560,000 of bonds outstanding are considered defeased.

NOTE 10. LEASES PAYABLE.

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2026
Pitney Bowes	3/8/2022	60 months	579	3.00%	$ 32,302	$ 4,580
Hudson Valley Audio - HS Café Audio	9/1/2023	60 months	585	3.40%	31,811	14,533
Hudson Valley Audio - CVMS Auditorium Microphone	9/1/2023	60 months	585	3.40%	31,811	14,533
Hudson Valley Audio - HS AV Components Athletic Field	11/1/2023	60 months	375	3.40%	20,391	10,000
OUBOCES - Network Printer	6/1/2026	48 months	4,386	5.22%	185,129	185,129
						$ 228,775

NOTE 10. LEASES PAYABLE. (Continued)

The District leased postage equipment through Pitney Bowes, beginning in March 2022 for a term of five years. This lease is not renewable and the District will not acquire the equipment at the end of the five years. The District leased fitness equipment through MACRO, beginning in November 2021 for a term of five years. This lease is not renewable and the District will not acquire the equipment at the end of the five years The District leased network printers through OUBOCES, beginning May 2023 for a term of four years. This lease is not renewable and the District will not acquire the equipment at the end of the four years. The District leased audio visual equipment through Hudson Valley Audio, beginning September & November 2023 for terms of four years. These leases are not renewable and the District will not acquire the equipment at the end of the four years. The District leased network printers through OUBOCES, beginning June 2026 for a term of four years. This lease is not renewable and the District will not acquire the equipment at the end of the four years.

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

For the Year Ended June 30,	Lease Payable	
	Principal	Interest
2027	$ 64,578	$ 11,223
2028	63,000	8,169
2029	51,238	5,231
2030	49,959	2,671
TOTAL	$ 228,776	$ 27,295

NOTE 11. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

NOTE 11. PENSION PLANS. (Continued)

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System s website located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than the average of the previous two years.

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 and 5 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied 1for each year of service over 20 years. Tier 6 members with 5 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent greater than the average of the previous two years.

NOTE 11. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts and other rules such as any offsets or other benefits depend on a members' tier, years of service and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Service Retirements

Tier 1 and 2 members are generally eligible for a service retirement benefit of 2% per year of credit service times final average salary (FAS). A 5% reduction generally applies for each full year of state service under 20 years (prorated for partial years with a maximum reduction of 50%). Tier 1 and 2 members may retire as early as age 55 with five or more years of state service credit. Retirement may also occur for Tier 1 members at age 55 with less than five years of service if two years are credited since July 1, 1967, after the current membership date, and since the member turned age 53.

Generally, the maximum pension payable to Tier 1 and 2 members (with two years of credit under the Article 19 Benefit Enhancement law) is 79% of FAS. An age factor applies to Tier 2 members who retire before age 62 with less than 30 years of service. There is no age factor for Tier 1 members.

Tier 3 and 4 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 2.0% per year for 20 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 3 and 4 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 3 and 4 members who retire before age 62 with less than 30 years of service.

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2% per year for 25-30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 5 years of service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with 5 years of state service credit. An age factor applies for Tier 6 members who retire before age 63. In addition, vested Tier 6 members with an inactive membership must be at least 63 to retire.

Vested Benefits

Retirement benefits for Tiers 1-6 are vested after five years of credited service. Benefits are payable at age 55 or greater with the limitations noted for service retirement above.

NOTE 11. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the Consumer Price Index (CPI) not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of the maximum annual benefit. The applicable percentage payable beginning September 2025 is 1.2%.

NOTE 11. PENSION PLANS. (Continued)

Permanent Cost of Living Adjustment (COLA) (Continued)

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the Consumer Price Index (CPI) with a maximum per annum increase of 3.0%.

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 6% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' year ended March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

Year	NYSTRS	NYSERS
2025 - 2026	5,067,666	1,886,144
2024 - 2025	4,847,553	1,598,289
2023 - 2024	4,811,355	1,220,520

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

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

At June 30, 2026, the District reported the following asset/(liability) for its proportionate share of the net pension (liability)/asset for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2026 for ERS and June 30, 2025 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

NOTE 11. PENSION PLANS. (Continued)

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

	ERS	TRS
Actuarial Valuation Date	March 31, 2026	June 30, 2025
Net Pension Asset/(Liability)	$ (1,786,630)	$ 15,115,592
District's Portion of the Plan's Total Net Pension Asset/(Liability)	0.02552850%	0.316680%

At March 31, 2026, the District's proportion of the NYSERS net pension asset/(liability) was 0.0316680%, there was an increase of 0.000019393% from its proportion measured as of March 31, 2025.

At June 30, 2025, the District's proportion of the NYSTRS net pension asset/(liability) was 0.255285%, which was an decrease of 0.000048430% from its proportion measured as of June 30, 2024.

NOTE 11. PENSION PLANS. (Continued)

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

For the year ended June 30, 2026, the District's recognized pension expense of $288,890 for ERS ($5,675,457) for TRS. At June 30, 2026 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows or Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 1,022,415	$ 7,923,941	$ 8,946,356
Changes of Assumptions	306,685	5,983,793	6,290,478
Net difference between projected and actual earnings on pension plan investments	0	0	0
Changes in proportion and difference between the District's contributions and proportionate share of contributions	666,345	232,225	898,570
District's contributions subsequent to the measurement date	603,779	4,877,259	5,481,038
Total	$ 2,599,224	$ 19,017,218	$ 21,616,442

NOTE 11. PENSION PLANS. (Continued)

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

	Deferred Inflows or Resources		
	ERS	TRS	Total
Differences between expected and actual experience	$ 0	$ 0	$ 0
Changes of Assumptions	0	162,971	162,971
Net difference between projected and actual earnings on pension plan investments	3,203,527	11,805,240	15,008,767
Changes in proportion and difference between the District's contributions and proportionate share of contributions	0	202,032	202,032
District's contributions subsequent to the measurement date	0	0	0
Total	$ 3,203,527	$ 12,170,243	$ 15,373,770

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended 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:

Year Ended:	ERS	TRS
2026	$ 0	$ (7,668,623)
2027	(930,762)	3,202,083
2028	954,809	3,406,573
2029	535,552	706,531
2030	648,482	(1,324,722)
Thereafter	0	(291,557)

NOTE 11. PENSION PLANS. (Continued)

Actuarial Assumptions

The total ERS pension liability at March 31, 2026 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2026. The total TRS pension liability at June 30, 2025 was determined by using an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension liability to June 30, 2025. These actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Inflation Rate	2.9%	2.50%
Projected Salary Increases	5.2%	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience and were updated as of June 30, 2025.
		Service / Rate: 5 — 5.80%; 15 — 3.66%; 25 — 2.68%; 35 — 2.04%
Projected Cost of Living Adjustments	1.5%	1.4% Compounded annually
Investment Rate of Return, Including Inflation	5.9% compounded annually, net of investment expenses, including inflation	6.95% compounded annually, net of pension plan investment expense, including inflation
Decrement Tables	April 1, 2020 - March 31, 2025 System's Experience	July 1, 2019 - June 30, 2024 System's Experience
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021

NOTE 11. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

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

The Long Term Expected Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2025 for TRS and March 31, 2026 for ERS are summarized in the following table:

Measurement Date	ERS March 31, 2026	
	Target Allocation	Long-term expected real rate of return
Asset Class:		
Domestic Equity	25%	3.29%
International Equity	14%	5.85%
Private Equity	15%	7.00%
Real Estate	12%	5.20%
Opportunistic/ARC Portfolio	3%	5.13%
Credit	4%	5.10%
Real Assets	4%	5.54%
Fixed Income	22%	1.75%
Cash	1%	0.25%
Total	100%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

Measurement Date	TRS June 30, 2025	
	Target Allocation	Long-term expected real rate of return*
Asset Class:		
Domestic Equities	33%	6.70%
International Equities	15%	7.40%
Global Equities	4%	7.00%
Real Estate Equities	11%	6.50%
Private Equity	9%	9.80%
Domestic Fixed Income	16%	2.60%
Global Bonds	2%	2.40%
Private Debt	2%	6.10%
Real Estate Debt	6%	3.80%
High-yield Bonds	1%	4.70%
Cash Equivalents	1%	0.60%
High-yield Bonds	100%	

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

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers

NOTE 11. PENSION PLANS. (Continued)

Discount Rate (Continued)
will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the ERS and TRS net pension liability calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (12,202,195)	$ (1,786,630)	$ 6,921,243

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	(29,044,802)	15,115,592	52,274,267

Pension plan fiduciary net position
The components of the current-year net pension liability of the employers were as follows:

	(Dollars in Thousands) ERS	TRS
Measurement Date	March 31, 2026	June 30, 2026
Employers' total pension asset/(liability)	$ (253,773,040)	$ (148,272,068,018)
Plan net position	(248,131,290)	(154,193,125,241)
Employer's net pension asset/(liability)	$ (5,641,750)	$ 5,921,057,223
Ration of plan net position to the employers' total pension asset/(liability)	97.78%	104.0%

NOTE 11. PENSION PLANS. (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contributions for the period of April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $603,779 of employer contributions. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the year ended June 30, 2026 are paid to the System in September, October and November 2026 through state aid intercept. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the year ended June 30, 2026. Employer contributions are based on paid TRS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $4,877,259

NOTE 12. INTERFUND BALANCES AND ACTIVITY.

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

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	10,861,714	$ 272	$ 0	$ 5,590,034
Special Aid Fund	0	2,944,866	315,663	0
School Lunch Fund	0	17,772	0	0
Capital Fund	272	7,935,373	5,274,371	36,000
Debt Service Fund	36,297	0	36,000	0
Miscellaneous Special Revenue	0	0	0	0
Total Governmental Activities	10,898,283	10,898,283	5,626,034	5,626,034
Custodial Funds	0	0	0	0
Totals	$ 10,898,283	$ 10,898,283	$ 5,626,034	$ 5,626,034

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan ("the District's OPEB plan"), provides OPEB for eligible retired employees, their spouses and their dependent children. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District's OPEB plan subsidizes the cost of healthcare to eligible retired employees, their spouses and their dependent children. Minimum eligibility requirements for post-employment benefits are as follows:

- Employees are eligible for postretirement benefits if he/she has met the following requirements:
  - Building Administrators — Age 55 with 10 Years of Service
  - Clerical — Age 55 with 20 Years of Service
  - Confidential/Managerial — Age 55 and 15 Years of Service
  - District Administrators — Age 55 and 5 Years of Service
  - Non Affiliated — Age 55 with 20 Years of Service
  - Operations & Maintenance — Age 55 with 20 Years of Service
  - Teachers — Age 55 with 15 Years of Service

*Participants in the Security & School Related Professional units have been excluded from the GABS 75 valuation because they do not allow for postretirement benefits in their contracts.

- The School District reimburses the cost of Medicare Part B premiums to both retirees and covered spouses. Surviving spouses are not eligible for Medicare Part B Reimbursement.

The retiree is required to make a contribution towards the cost of coverage based upon their cost sharing agreement with the District. Current retirees were supplied with their specific cost sharing arrangement in the data provided by the District. Future retirees are assumed to receive the following cost sharing arrangements.

Bargaining Unit	Cost Sharing
Clerical	
- Service: 20 - 24 Years	65%
- Service: 25 - 29 Years	75%
- Service 30+ Years	85%
- Local Service 20+ Years	89%
Operations & Maintenance	
- Service: 20 - 24 Years	75%
- Service: 25+ Years	Same as active rate at retirement

Non Aff. (DOH between 07/01/05 and 07/01/19)	90%
Non Aff. (DOH > 07/01/2019)	89%
Confidential (DOH > 07/01/2010)	88%
Teachers (DOH > 07/01/2010)	86%
Superintendent	80%
Assistant Superintendent	84%
Director of HR	85%
Building Admin (DOH >07/01/2019)	86%
All Others	100%

Upon death of the Retiree, Surviving Spouces will contribute 100% of the cost of the blended premium.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Upon the death of the retiree, surviving spouses will contribute 100% of the cost of the blended premium.

	Premium Rate	
Pre-65	Monthly	Annual
Medical	$ 1,058	$ 12,690
Rx	309	3,710

Employees Covered by Benefit Terms – At July 1, 2024, the following employees were covered by the benefit terms:

Active Employees	593
Inactive employees or beneficiaries currently receiving benefit payments	437
Covered Spouses	228
Total Employees Covered by Benefit Terms	1,258

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Total OPEB Liability

The District's total OPEB liability of $251,625,894 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024 for the fiscal year ending June 30, 2026.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2026 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	5.20%
Healthcare Cost Trend Rates	Pre-65: 8.92% for 2024, decreasing to an ultimate rate of 4.50% for 2033 and later years
	Post-65: 10.35% for 2024, decreasing to an ultimate rate of 4.50% for 2033 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay based on their specific cost sharing arrangement.
Future Retirees' Share of Benefit Related Costs	Retirees pay 0% - 35% of the cost of coverage based on their specific cost sharing arrangement.

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index as of to the measurement date.

Mortality is projected generationally with Aon's endemic version of scale MP-2021. Mortality rates were based on Pub-2016 Headcount Weighted Mortality Table, Teachers Classification – for Teachers Bargaining unit and General Classification for All Other Bargaining Units.

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period April 1, 2020 through March 31, 2025 for ERS participants and July 1, 2019 through June 30, 2024 for TRS participants.

Changes in the Total OPEB Liability

Balance at June 30, 2025	$ 291,098,401
Changes for the Year:	
Service cost	10,032,205
Interest	11,676,740
Changes of benefit terms	0
Differences between expected and actual experience	216,057
Changes in assumptions or other inputs	(53,294,327)
Benefit payments	(8,103,182)
Net Changes	(39,472,507)
Balance at June 30, 2026	$ 251,625,894

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20 percent) or 1 percentage point higher (6.20 percent) than the current discount rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 291,530,394	$ 251,625,894	$ 219,322,105

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	$ 214,579,355	$ 251,625,894	$ 298,676,008

NOTE 13. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

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

For the year ended June 30, 2026, the District recognized OPEB expense of $5,608,088. At June 30, 2026, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,858,063	$ 161,427
Changes of assumptions or other inputs	16,410,855	82,193,771
District's contributions subsequent to the measurement date	9,089,335	0
Total	$ 33,358,253	$ 82,355,198

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2026. Other amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2027	$ 8,035,487
2028	10,210,230
2029	13,426,764
2030	10,193,967
2031	5,769,214
Thereafter	10,450,618

NOTE 14. RISK MANAGEMENT.

Pool, Risk Sharing

The District participates in a risk-sharing pool for property and casualty insurance, sponsored by NYSIR (New York School Insurance Reciprocal). The District will be jointly and severally liable for claims of all group members.

Pool, Non-Risk Retained

The District participates in Orange/Ulster School District Workers Compensation Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 20 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to $500,000 per insured event. The pool obtains independent coverage for insured events in excess of the $500,000 limit, and the District has essentially transferred all related risk to the pool.

NOTE 15. RETIREMENT INCENTIVES.

The Pine Bush Central School District approved a local retirement incentive of $15,000 for employees who retired during the 2025-2026 school year. Twelve employees were eligible for this incentive. The District paid a total of $180,000 in retirement incentives to those retirees.

NOTE 16. COMMITMENTS AND CONTINGENCIES.

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

The District is subject to numerous tax certiorari claims that are currently being litigated with the support of legal counsel. Such proceedings are not uncommon to school districts. As of June 30, 2026 the District has sufficient reserves to cover tax certiorari claims filed against them.

The District has several claims that are currently being litigated with the support of legal counsel. The results of these litigations are unknown at this time. Additionally, the District is involved in an administrative impartial hearing brought on behalf of a student with disability in which the parents are seeking reimbursement for private school tuition, transportation, tutoring and evaluation costs, as well as attorney's fees. The parties are presently discussing possible settlement, but if the case proceeds to hearing and the parents prevail, the District faces liability between $160,000 and $200,000.

NOTE 17. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2026 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	$ 131,932
Total Encumbrances	$ 131,932

NOTE 18. DONOR-RESTRICTED ENDOWMENTS.

Endowment funds are restricted by the donor for the purpose of student scholarships and awards. Expenditures from donor-restricted endowments are made in compliance with the wishes expressed by the donor.

NOTE 19. RESTATEMENT.

During the fiscal year ended June 30, 2026, the District had a full inventory count conducted and as a result, it determined that adjustments were necessary to correct the inventory balances from the prior year. As a result, capital assets, accumulated depreciation, depreciation expense and net position reported in previously issued government-wide financial statements were misstated.

The District corrected the error which has been reported retroactively by restating beginning net position as of July 1, 2025 for the cumulative effect of the error on prior periods. The correction increased capital assets net by $1,419,623 as of July 1, 2025.

		Governmental Activities
Net Position Beginning of Year, as Previously Stated	$	(184,218,455)
Capital Asset - Error Correction		1,419,623
Net Position Beginning of Year, as Restated	$	(182,798,832)

NOTE 20. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 9, 2026 the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024

	06/30/26	06/30/25	06/30/24	06/30/23	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
Total OPEB Liability									
Service cost	$ 10,032,205	$ 9,114,210	$ 9,053,387	$ 13,125,292	$ 11,459,081	$ 8,469,669	$ 7,328,178	$ 6,467,708	$ 7,886,295
Interest	11,676,740	9,997,437	9,500,371	6,941,071	6,579,186	8,872,488	8,767,561	7,549,724	6,595,474
Changes of benefit terms	0	675,857	0	626,231	0	0	0	(892,905)	0
Differences between expected and actual experience	216,057	3,698,308	30,165	7,997,469	1,054,532	3,684,264	(1,648,255)	2,772,891	0
Changes in assumptions or other inputs	(53,294,327)	7,770,138	(4,764,351)	(70,911,397)	9,429,139	26,131,255	14,438,073	2,518,274	(29,517,728)
Benefit payments	(8,103,182)	(9,803,591)	(6,924,213)	(6,462,626)	(6,621,629)	(3,829,249)	(3,771,096)	(3,454,988)	(4,701,249)
Net change in total OPEB liability	(39,472,507)	21,452,359	6,895,359	(48,683,960)	21,900,309	43,328,427	25,114,461	14,960,704	(19,737,208)
Total OPEB liability-beginning	291,098,401	269,646,042	262,750,683	311,434,643	289,534,334	246,205,907	221,091,446	206,130,742	225,867,950
Total OPEB liability-ending	$ 251,625,894	$ 291,098,401	$ 269,646,042	$ 262,750,683	$311,434,643	$289,534,334	$ 246,205,907	$ 221,091,446	$ 206,130,742
Covered-employee payroll	$ 55,496,509	$ 59,043,479	$ 52,677,229	$ 53,173,641	$ 49,412,230	$ 47,879,649	$ 47,248,789	$ 46,647,174	$ 43,438,027
Total OPEB liability as a percentage of covered-employee payroll	453.41%	493.02%	511.88%	494.14%	630.28%	604.71%	521.08%	473.97%	474.54%

Notes to Schedule:

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

6/30/2026	5.20%
6/30/2025	3.93%
6/30/2024	3.65%
6/30/2023	3.54%
6/30/2022	2.16%
6/30/2021	2.21%
6/30/2020	3.51%
6/30/2019	3.87%
6/30/2018	3.58%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH ORIGINAL BUDGET - OVER (UNDER) FINAL BUDGET	CURRENT YEAR'S REVENUES	VARIANCE FINAL BUDGET - OVER (UNDER) ACTUAL
REVENUES					
LOCAL SOURCES:					
Real Property Taxes	$ 60,916,509	$ 60,916,509	$ 0	$ 61,099,787	$ 183,278
Other Tax Items	3,625,000	3,625,000	0	3,440,548	(184,452)
Charges for Services	408,000	408,000	0	724,605	316,605
Use of Money & Property	700,000	700,000	0	1,168,013	468,013
Sale of Property & Compensation for Loss	0	0	0	1,188	1,188
Miscellaneous	689,000	689,000	0	1,339,368	650,368
STATE SOURCES	80,250,394	80,250,394	0	81,285,531	1,035,137
FEDERAL SOURCES	175,000	175,000	0	302,069	127,069
TOTAL REVENUES	146,763,903	146,763,903	0	149,361,109	$ 2,597,206
APPROPRIATED FUND BALANCE	3,211,251	8,548,291	5,337,040		
TOTAL REVENUES, OTHER SOURCES & APPROPRIATED FUND BALANCE	$ 149,975,154	$ 155,312,194	$ 5,337,040		

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2026

EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH ORIGINAL BUDGET - OVER (UNDER) FINAL BUDGET	CURRENT YEAR'S EXPENDITURES	VARIANCE FINAL BUDGET - OVER (UNDER) ACTUAL	ENCUMBRANCES
GENERAL SUPPORT:						
Board of Education	$ 247,909	$ 193,073	$ (54,836)	$ 164,045	$ (29,028)	$ 0
Central Administration	495,740	507,196	11,456	476,211	(30,985)	0
Finance	1,291,207	1,140,305	(150,902)	1,095,748	(44,557)	0
Staff	840,967	646,788	(194,179)	585,833	(60,955)	0
Central Services	12,283,262	11,722,365	(560,897)	11,277,825	(444,540)	130,289
Special Items	2,982,070	3,092,255	110,185	3,066,865	(25,390)	0
INSTRUCTIONAL:						
Instruction, Administration & Improvement	5,867,849	5,876,127	8,278	5,512,736	(363,391)	0
Teaching - Regular School	36,907,150	36,150,879	(756,271)	35,604,604	(546,275)	1,505
Programs for Children with Handicapping Conditions	24,367,423	26,191,358	1,823,935	25,663,801	(527,557)	0
Occupational Education	3,514,695	3,944,535	429,840	3,944,535	0	0
Teaching - Special Schools	576,684	703,458	126,774	582,823	(120,635)	26
Instructional Media	4,039,222	3,229,471	(809,751)	2,977,673	(251,798)	0
Pupil Services	5,899,488	5,724,436	(175,052)	5,172,606	(551,830)	112
PUPIL TRANSPORTATION	10,127,578	11,355,762	1,228,184	11,349,337	(6,425)	0
EMPLOYEE BENEFITS	34,168,303	35,025,913	857,610	34,982,709	(43,204)	0
DEBT SERVICE:						
Debt Service - Principal	4,132,715	3,055,536	(1,077,179)	3,052,732	(2,804)	0
Debt Service - Interest	1,896,892	1,142,366	(754,526)	1,129,998	(12,368)	0
TOTAL EXPENDITURES	149,639,154	149,701,823	62,669	146,640,081	(3,061,742)	131,932
OTHER USES:						
Operating Transfers Out	336,000	5,610,371	5,274,371	5,590,034	(20,337)	0
TOTAL EXPENDITURES & OTHER USES	$ 149,975,154	$ 155,312,194	$ 5,337,040	152,230,115	$ (3,082,079)	$ 131,932
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES				$ (2,869,006)		

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 1. ACTUAL BUDGET RESULTS.

	GENERAL FUND OVER (UNDER)
BUDGETARY REVENUES	
Differences - Original Budget to Final Budget	
APPROPRIATED FUND BALANCE	$ 5,337,040
Increased budgeted amount to accommodate the transfer from general fund to capital fund as authorized by the board of education.	
Differences - Final Budget to Actual	
LOCAL SOURCES:	
Charges for Services	$ 316,605
Actual revenue exceeded final budgeted amounts primarily due to higher than anticipated enrollment of tuition paying non-resident students. Tuition revenues are budgeted conservatively due to annual fluctuations in student enrollment.	
Use of Money & Property	468,013
Actual use of money and property revenue in the General Fund exceeded the final budget due to interest and earnings revenue, as the District budgets interest and earnings revenue conservatively to account for uncertainty in future market performance.	
Miscellaneous	650,368
Actual miscellaneous revenue in the General Fund exceeded the final budget primarily due to the surplus payment issued by our local BOCES. This amount is volatile in nature, and as a result requires a conservative budgeted amount.	
STATE SOURCES	1,035,137
Actual revenue from State sources exceeded the final budget primarily due to conservative budget estimates applied to expense based aid formulas, specifically BOCES Aid and Excess Cost Aid.	
FEDERAL SOURCES	127,069
Actual revenue exceeded the final budget due to additional funding received for federal aid reimbursements processed during the fiscal year. The main driver behind this additional revenue is Medicaid reimbursements.	

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 1. ACTUAL BUDGET RESULTS.

	GENERAL FUND OVER (UNDER)
BUDGETARY EXPENDITURES	
Differences - Original Budget to Final Budget	
GENERAL SUPPORT:	
Finance	$ (150,902)
The final budget was reduced relative to the original budget due to salary savings resulting from administrative turnover during the fiscal year, including the Assistant Superintendent for Business and School Business Assistant positions.	
Staff	(194,179)
The final budget was reduced because contractual legal service requirements were lower than anticipated; unexpended funds were reallocated to meet operational requirements in other functional areas.	
Central Services	(560,897)
The final budget was reduced because contractual legal service requirements were lower than anticipated; unexpended funds were reallocated to meet operational requirements in other functional areas.	
Special Items	110,185
Final budget was more than the original budget as the district insurance policy required additional funding above what was budgeted for. The annual premium amount is often not known until after a budget is adopted by the board of education, which frequently results in an over or under budgeted amount.	
INSTRUCTIONAL:	
Teaching - Regular School	(756,271)
The final budget was reduced as funds originally budgeted in district-wide professional development accounts were reallocated across various departmental operational lines.	
Programs for Children with Handicapping Conditions	1,823,935
The final budget was increased to accommodate higher instructional and tuition costs associated with an increase in the number of students classified by the Committee on Special Education (CSE).	
Occupational Education	429,840
Final budget was more than the original budget as the amount of students participating in BOCES Career and Technical Education (CTEC) ended up being higher than projected.	
Instructional Media	(809,751)
Final budget was less than the original budget as the instruction technology equipment obligations ended up being lower than projected.	
Pupil Services	(175,052)
Final budget was less than the original as the salary obligations ended up being lower than projected, specifically with a 1.0 Full-Time Equivalent (FTE) reduction in instructional staff.	
PUPIL TRANSPORTATION	1,228,184
Final budget was more than the original budget as a number of transportation related expenses ended up being higher than budgeted. The increase in out of district placements lead to a number of additional routes, compounded by significant increases in fuel market prices.	
EMPLOYEE BENEFITS	857,610
The final budget was increased due to unplanned outlay costs associated with a Pine Bush Teachers' Association (PBTA) retirement incentive and higher than anticipated employee participation in district health insurance plans.	
DEBT SERVICE:	
Debt Service - Principal	(1,077,179)
The final budget was reduced because anticipated debt service payments for the 2025 Capital Project were not incurred due to the postponement of the bond issuance to the subsequent fiscal year.	
Debt Service - Interest	(754,526)
The final budget was reduced because anticipated debt service payments for the 2025 Capital Project were not incurred due to the postponement of the bond issuance to the subsequent fiscal year.	
OTHER USES:	
Operating Transfers Out	5,274,371
The final budget in the General Fund for transfers out increased due to an additional transfer to the Capital Fund. During the year, the Board of Education approved a $5,274,371 transfer from available Fund Balance to the Capital Fund effective May 26, 2026, to close out the Capital Improvement Project authorized by the voters in 2018.	
Differences - Final Budget to Actual	
GENERAL SUPPORT:	
Central Services	$ (314,251)
Central Services actual expenditures were less than the final General Fund budget due to the maintenance equipment requirements being less than projected.	
INSTRUCTIONAL:	
Instruction, Administration & Improvement	(363,391)
Instruction, Administration & Improvement expenditures were less than the final General Fund budget due to various savings in the instructional salary lines, specifically related to a number of new building level administrators.	
Teaching - Regular School	(524,763)
Regular School expenditures were less than the final General Fund budget due to minor residual unexpended balances aggregated across numerous instructional salary and supply codes within the District's largest functional area.	
Programs for Children with Handicapping Conditions	(527,557)
Programs for Children with Handicapping Conditions expenditures were less than the final General Fund budget as a large amount was transferred in to accommodate the additional classified students, and ultimately an excess remained at yearend.	
Instructional Media	(251,798)
Instructional Media expenditures were less than the final General Fund budget due to various changes across instructional salary accounts, specifically across the instructional technology department.	
Pupil Services	(551,718)
Pupil Services expenditures were less than the final General Fund budget due to various changes across instructional salary accounts, specifically impacted by the in district School Psychologists and School Nurses. Both of these job titles saw a high amount of turnover, and results in a significant amount of breakage.	

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2026

NYSERS Pension Plan
Last 10 Fiscal Years

	3/31/2026	3/31/2025	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017
District's proportion of the net pension asset/(liability)	0.0316680%	0.0297287%	0.0288277%	0.0254574%	0.0248702%	0.0231217%	0.0240307%	0.0253372%	0.0251692%	0.0265581%
District's proportionate share of the net pension asset/(liability)	$ (1,786,630)	$ (5,097,206)	$ (4,244,599)	$ (5,459,085)	$ 2,033,036	$ (23,023)	$ (6,363,464)	$ (1,795,221)	$ (812,321)	$ (2,495,461)
District's covered-employee payroll	$ 12,772,924	$ 12,366,491	$ 11,362,373	$ 9,987,999	$ 9,158,259	$ 8,764,396	$ 8,667,742	$ 8,444,337	$ 8,120,921	$ 7,963,862
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-13.99%	-41.22%	-37.36%	-54.66%	22.20%	-0.26%	-73.42%	-21.26%	-10.00%	-31.33%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%

NYSTRS Pension Plan
Last 10 Fiscal Years

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
District's proportion of the net pension asset/(liability)	0.255285%	0.260128%	0.253166%	0.253438%	0.254017%	0.256318%	0.257466%	0.257245%	0.261951%	0.264124%
District's proportionate share of the net pension asset/(liability)	$ 15,115,592	$ 7,761,187	$ (2,895,170)	$ (4,863,204)	$ 44,018,684	$ (7,082,749)	$ 6,688,975	$ 4,651,668	$ 1,991,091	$ (2,828,880)
District's covered-employee payroll	$ 52,843,233	$ 48,164,777	$ 49,862,889	$ 43,082,362	$ 43,394,406	$ 43,756,569	$ 42,787,820	$ 41,861,790	$ 41,302,955	$40,757,015
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	28.60%	16.11%	-5.81%	-11.29%	101.44%	-16.19%	15.63%	11.11%	4.82%	-6.94%
Plan fiduciary net position as a percentage of the total pension liability	104.0%	102.1%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2026

NYSERS Pension Plan
Last 10 Fiscal Years

	3/31/2026	3/31/2025	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017
Contractually required contribution	$ 1,886,144	$ 1,598,289	$ 1,221,520	$ 1,000,292	$ 1,396,930	$ 1,239,960	$ 1,176,575	$ 1,173,300	$ 1,154,177	$ 1,158,323
Contributions in relation to the contractually required contribution	1,886,144	1,598,289	1,221,520	1,000,292	1,396,930	1,239,960	1,176,575	1,173,300	1,154,177	1,158,323
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 12,772,924	$ 12,366,491	$ 11,362,373	$ 9,987,999	$ 9,158,259	$ 8,764,396	$ 8,667,742	$ 8,444,337	$ 8,120,921	$ 7,963,862
Contributions as a percentage of its covered-employee payroll	14.77%	12.92%	10.75%	10.01%	15.25%	14.15%	13.57%	13.89%	14.21%	14.54%

NYSTRS Pension Plan
Last 10 Fiscal Years

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Contractually required contribution	$ 5,067,666	$ 4,869,459	$ 4,866,618	$ 4,433,175	$ 4,138,841	$ 3,876,832	$ 4,544,067	$ 4,106,428	$ 4,865,051	$ 5,404,380
Contributions in relation to the contractually required contribution	5,067,666	4,869,459	4,866,618	4,433,175	4,138,841	3,876,832	4,544,067	4,106,428	4,865,051	5,404,380
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 52,843,233	$ 48,164,777	$ 49,862,889	$ 43,082,362	$ 43,394,406	$ 43,756,569	$ 42,787,820	$ 41,861,790	$ 41,302,955	$ 40,757,015
Contributions as a percentage of its covered-employee payroll	9.59%	10.11%	9.76%	10.29%	9.54%	8.86%	10.62%	9.81%	11.78%	13.26%

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET &
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET		$ 149,849,943
ADDITIONS:		
Encumbrances from Prior Year		125,211
ORIGINAL BUDGET		149,975,154
BUDGET REVISIONS:		
Donations		62,669
Appropriation for Capital Project Cost		5,274,371
FINAL BUDGET		$ 155,312,194

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2026/2027 Voter-approved expenditure budget maximum allowed (4% of 2026/2027 budget of $153,150,596)		$ 6,126,024
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 3,516,970	
Unassigned Fund Balance	12,433,511	
Total Unrestricted Fund Balance	$ 15,950,481	
Less:		
Appropriated Fund Balance	$ 3,385,038	
Encumbrances Included in Assigned Fund Balance	131,932	
Total Adjustments	$ 3,516,970	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 12,433,511
Actual Percentage		8.12%

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2026

	PROJECT NUMBER	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	EXPENDITURES TO DATE			TRANSFER TO DEBT SERVICE	UNEXPENDED BALANCE	METHODS OF FINANCING					FUND BALANCE June 30, 2026
				PRIOR YEARS	CURRENT YEAR	TOTAL			PROCEEDS FROM DEBT	STATE SOURCES	FEDERAL SOURCES	LOCAL SOURCES	TOTAL	
Smart Schools Bond Act Phase 1	7999-005	$ 999,532	$ 999,532	$ 944,210	$ 0	$ 944,210	$ 0	$ 55,322	$ 0	$ 938,210	$ 0	$ 6,000	$ 944,210	$ 0
Smart Schools Bond Act Phase 2	7999-007	973,867	973,867	973,866	0	973,866	0	1	0	973,866	0	0	973,866	0
Smart Schools Bond Act Phase 3	7999-008	1,040,034	1,040,034	1,094,109	0	1,094,109	0	(54,075)	0	1,039,951	0	54,158	1,094,109	0
Smart Schools Bond Act Phase 04	7999-009	2,096,503	2,096,503	2,096,774	(272)	2,096,502	0	1	0	2,096,502	0	-	2,096,502	0
2018 Capital Project 3 - cvms	0014-015	5,380,030	5,380,030	6,924,659	0	6,924,659	0	(1,544,629)	3,615,703	0	0	3,308,956	6,924,659	0
2018 Capital Project 3 - pak	0012-015	3,697,501	3,697,501	4,896,546	0	4,896,546	0	(1,199,045)	896,546	0	0	4,000,000	4,896,546	0
2018 Capital Project 4- HS	0007-028	387,098	387,098	0	0	0	0	387,098	350,631	0	0	(350,631)	0	0
Turf Fields	Fed	4,500,000	4,500,000	4,500,000	0	4,500,000	0	-	0	0	4,500,000	0	4,500,000	0
	0007-029	3,941,105	3,941,105	3,340,715	0	3,340,715	36,000	564,390	3,376,715	0	0	0	3,376,715	0
Phase 1A HS	007-030	3,140,280	3,140,280	34,103	2,902,688	2,936,791	0	203,489	0	0	0	85,066	85,066	(2,851,725)
Phase 1A CR	013-016	2,355,210	2,355,210	45,454	1,334,021	1,379,475	0	975,735	0	0	0	0	0	(1,379,475)
Phase 1A PAK	012-016	168,360	168,360	2,437	98,983	101,420	0	66,940	0	0	0	0	0	(101,420)
Phase 1B CVMS	014-017	4,137,400	4,137,400	13,231	1,235,291	1,248,522	0	2,888,878	0	0	0	0	0	(1,248,522)
Phase 1B PAK	012-017	3,822,600	3,822,600	12,217	1,140,586	1,152,803	0	2,669,797	0	0	0	0	0	(1,152,803)
1B Press Box	005-001	985,625	985,625	0	184	184	0	985,441	0	0	0	0	0	(184)
1B Pavillion	023-001	60,500	60,500	0	0	0	0	60,500	0	0	0	0	0	0
1B Ath Storage	024-001	88,250	88,250	0	0	0	0	88,250	0	0	0	0	0	0
1 BMaint Bldg	025-001	143,750	143,750	0	0	0	0	143,750	0	0	0	0	0	0
Phase 1C HS	007-031	4,326,120	4,326,120	17,850	482,102	499,952	0	3,826,168	0	0	0	0	0	(499,952)
Phase 1C EJR	002-016	1,464,000	1,464,000	6,041	201,176	207,217	0	1,256,783	0	0	0	0	0	(207,217)
Phase 1C PBE	015-018	1,464,000	1,464,000	6,041	139,483	145,524	0	1,318,476	0	0	0	0	0	(145,524)
Phase 1C CR	013-017	1,837,320	1,837,320	7,581	298,816	306,397	0	1,530,923	0	0	0	0	0	(306,397)
Phase 1C CES	009-017	1,471,320	1,471,320	6,071	156,533	162,604	0	1,308,716	0	0	0	0	0	(162,604)
Phase 1C CVMS	014-018	2,020,320	2,020,320	8,336	171,560	179,896	0	1,840,424	0	0	0	0	0	(179,896)
Phase 1C PAK	012-018	1,566,480	1,566,480	6,464	135,635	142,099	0	1,424,381	0	0	0	0	0	(142,099)
Phase 1D DW	7999-010	1,182,750	1,182,750	2,325	1,060,912	1,063,237	0	119,513	0	0	0		0	(1,063,237)
Phase 2A HS	007-032	2,529,679	2,529,679	1,403	121,708	123,111	0	2,406,568	0	0	0	0	0	(123,111)
Phase 2A CES	009-018	3,310,966	3,310,966	1,403	159,978	161,381	0	3,149,585	0	0	0	0	0	(161,381)
Phase 2A CVMS	014-019	4,643,598	4,643,598	1,403	230,958	232,361	0	4,411,237	0	0	0	0	0	(232,361)
Phase 2A PAK	012-019	3,237,881	3,237,881	1,403	168,670	170,073	0	3,067,808	0	0	0	0	0	(170,073)
Phase 3A HS	TBD	0	0	0	128,897	128,897	0	(128,897)	0	0	0	0	0	(128,897)
Phase 3A EJR	TBD	0	0	0	31,853	31,853	0	(31,853)	0	0	0	0	0	(31,853)
Phase 3A PBE	TBD	0	0	0	21,206	21,206	0	(21,206)	0	0	0	0	0	(21,206)
Phase 3A CR	TBD	0	0	0	23,349	23,349	0	(23,349)	0	0	0	0	0	(23,349)
2025xx	TBD	0	0	5,556	9,479	15,035	0	(15,035)	0	0	0	0	0	(15,035)
OUBOCES - Printer Lease		185,129	185,129	0	185,129	185,129		(0)	185,129	0	0	0	185,129	0
		$ 67,157,208	$ 67,157,208	$ 24,950,198	$ 10,438,925	$ 35,389,123	$ 36,000	$ 31,732,085	$ 8,424,724	$ 5,048,529	$ 4,500,000	$ 7,103,549	$ 25,076,802	$ (10,348,321)

See paragraph on supplementary schedules included in auditor's report.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2026

CAPITAL ASSETS, NET		$ 128,204,994
RIGHT TO USE ASSETS, NET		1,090,693
TOTAL CAPITAL ASSETS		129,295,687
ADDITIONS:		
Deferred Charges on Refunding		814
DEDUCTIONS:		
Short-term Portion of Bonds Payable (including unamortized Bond Premium $75,861)	$ 2,650,862	
Long-term Portion of Bonds Payable	19,535,000	
Short-term Portion of Leases Liability	64,579	
Long-term Portion of Leases Liability	164,197	
Short-term Portion of Installment Debt	448,174	
Long-term Portion of Installment Debt	3,674,801	
Related Debt		(26,537,613)
NET INVESTMENT IN CAPITAL ASSETS		$ 102,758,888

See paragraph on supplementary schedules included in auditor's report.

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

To the President and Members
of the Board of Education of the
Pine Bush Central School District
Pine Bush, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the fiduciary fund of Pine Bush Central School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Pine Bush Central School District's basic financial statements and have issued our report thereon dated October 9, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pine Bush Central School District's internal control over financial reporting (internal control) as a basis for designing the 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 Pine Bush Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pine Bush Central School District's internal control.

A *deficiency in internal control* exists when the design or operation of 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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

100th ANNIVERSARY
1925 - 2025
MEMBERS: NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS • AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and Other Matters

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

Purpose of this Report

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

Nugent & Haeussler PC

Montgomery, New York
October 9, 2026

Nugent & Haeussler, P.C.
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Pine Bush Central School District
Pine Bush, New York

Opinion

We have audited the accompanying financial statements of Pine Bush Central School District Extraclassroom Activity Funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2026 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of Pine Bush Central School District Extraclassroom Activity Funds as of June 30, 2026, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Pine Bush Central School District' Extraclassroom Activity Funds 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 opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

100th ANNIVERSARY
1925 - 2025

MEMBERS: NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS • AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 and 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 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, 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 Pine Bush Central School District's Extraclassroom Activity Funds 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 Pine Bush Central School District's Extraclassroom Activity Funds 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.

Nugent & Haeussler PC

Montgomery, New York
October 9, 2026

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2026

ASSETS

Cash in Checking	
High School	$ 192,845
Crispell Middle School	28,509
Circleville Middle School	28,528
	$ 249,882

FUND BALANCE

Fund Balance, Beginning of Year	$ 261,621
Excess of Disbursements over Receipts	(11,739)
Fund Balance, End of Year	$ 249,882

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - HIGH SCHOOL
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2026

	CASH BALANCE JUNE 30, 2025	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2026
Class of 2029	$ 0	$ 128,183	$ 120,154	$ 8,029
Class of 2028	3,995	2,788	1,647	5,136
Class of 2027	8,833	28,150	28,795	8,188
Class of 2026	9,364	64,754	71,905	2,214
Class of 2025	4,662	162	4,824	(0)
Baseball	13,403	9,083	10,647	11,839
Boys Basketball	2,950	4,119	5,039	2,030
Boys Lacrosse	931	0	930	1
Boys Soccer	1,384	3,552	3,761	1,175
Boys Swimming	1,024	2,492	3,134	382
Boys Track	9,689	1,275	4,164	6,800
Cheerleading	14,112	10,495	11,307	13,301
Cross Country	0	3,393	1,937	1,456
Field Hockey	1,904	1,344	2,437	811
First Aid	8,636	1,312	1,516	8,432
Food Pantry	2,158	300	0	2,458
Football	11,416	45,089	36,435	20,071
Girls Soccer	425	8,433	6,974	1,884
Girls Flag Football	6,970	8,020	11,453	3,537
Girls Golf	0	30	0	30
Girls Lacrosse	6,829	4,066	7,266	3,629
Girls Varsity Swimming	1,554	4,376	4,130	1,800
Girls Tennis	378	2,120	2,443	56
Girls Track	5,939	5	4,773	1,170
Honor Society	5,160	2,634	3,591	4,203
Honor Society - Art	495	610	512	593
Interact Club	10,294	10,068	12,770	7,592
Math Team	191	720	311	600
Music Guild	19,452	29,553	28,741	20,264
Newspaper Club	1,015	711	0	1,726
SADD	5,311	0	363	4,948
Ski Club	3,265	2,750	2,968	3,047
Softball	5,029	4,976	4,152	5,853
Student Senate	13,295	512	2,345	11,462
Volleyball	1,348	6,141	5,092	2,397
World Language Club	991	7,440	7,464	967
Wrestling	3,881	6,578	2,984	7,475
Yearbook	8,272	14,313	5,294	17,290
	$ 194,555	$ 420,548	$ 422,259	$ 192,845

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - CRISPELL MIDDLE SCHOOL
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2026

	CASH BALANCE JUNE 30, 2025	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2026
Honor Society	$ 3,918	$ 1,927	$ 1,884	$ 3,961
Art Club	91	-	91	(0)
Drama Club	6,522	6,935	6,198	7,259
Interact Club	2,016	1,633	426	3,222
Student Council	5,177	8,845	7,610	6,412
Students Making a Difference	1,087	729	173	1,643
Yearbook	7,972	2,268	4,229	6,011
	$ 26,783	$ 22,336	$ 20,611	$ 28,509

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - CIRCLEVILLE MIDDLE SCHOOL
SUMMARY OF RECEIPTS & DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2026

	CASH BALANCE JUNE 30, 2025	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2026
CVMS Activity Club	$ 94	$ 0	$ 0	$ 94
Art Club	16	0	0	16
Code Warriors	50	0	0	50
Honor Society	1,886	1,349	1,585	1,650
Drama Club	18,459	9,110	15,517	12,052
Interact Cub	617	742	662	697
Multi Cultural	192	0	192	0
Odyssey of the Minds	10,733	12,098	20,135	2,696
STEAM	394	0	394	0
Student Council	5,852	2,155	876	7,131
Yearbook	1,990	2,153	0	4,143
	$ 40,283	$ 27,607	$ 39,361	$ 28,528

See notes to financial statement.

PINE BUSH CENTRAL SCHOOL DISTRICT
PINE BUSH, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Pine Bush Central School District. We have included the Extraclassroom Activity Fund balances within the miscellaneous special revenue fund of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.

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

(c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.