GREATER JOHNSTOWN SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress – changes in total other post-employment benefits liability and related ratios, and schedule of local government's proportionate share of the net pension liability and contributions on pages 4 through 13 and 52 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The supplementary information on pages 57 through 59 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
October 1, 2025

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

FINANCIAL HIGHLIGHTS

The District maintained its financial position in the 2024-2025 fiscal year. Through diligent controls on expenditures and operational decisions resulting in cost savings, the District was able to contain actual expenditures to 94.8% of the adjusted operating budget, slightly higher than fiscal year 2023-2024. The District also realized savings in the BOCES COSERS mainly in the Occupational Education and Special Ed categories. Through operational changes there remained a sum of $2,064,809, unexpended and unencumbered as of June 30, 2025.

Earned revenue for the 2024-2025 fiscal year was approximately $1.127 million more than the budgeted amount. This is primarily due to higher than budgeted SPED Tuition/Transportation, along with higher than anticipated interest earnings.

The maximum allowable levy for the 2025-2026 school year is $12,632,818 or 2.99%. In May, 2025, the District proposed a fiscal year budget of $45,156,817, which also included the use of $3,117,608 of fund balance and $1,800,000 from Reserves. The budget proposal was approved by a margin of 69%, with 350 voting in favor and 151 voting against.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a custodian for the benefit of others.

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

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

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

		Fund Financial Statements	
	District-Wide	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The activities of the School District that are proprietary or fiduciary, such as instruction, special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as student activities monies
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/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax base and the condition of buildings and other facilities should be considered.

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

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

- Capitalize current outlays for capital assets.

- Report long-term debt as a liability.

- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.

- Allocate net position balances as follows:

  - Net investment in capital assets.

  - Restricted net position are those with constraints placed on use by external sources or imposed by law.

  - Unrestricted net position are net position that do not meet any of the above restrictions.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.

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

The District has two kinds of funds:

- Governmental Funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information following the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, CM miscellaneous special revenue fund and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures and changes in fund balance.

- Fiduciary Fund: The School District is the custodian for assets that belong to others, such as the student activities funds and the private purpose trust funds. The School 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 School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-2

	Fiscal Year 2025	Fiscal Year 2024	% Change (Increase, - Decrease)
Assets			
Current and other assets	$ 44,533	$ 39,409	13
Capital assets - net	57,729	52,035	11
Total Assets	102,262	91,444	12
Deferred Outflows of Resources			
Other post-employment benefits	12,406	14,900	-17
Pensions	5,457	6,051	-10
Total Deferred Outflows of Resources	17,863	20,951	-15
Liabilities			
Current liabilities	19,736	10,584	86
Long-term liabilities	66,798	68,818	-3
Total Liabilities	86,534	79,402	9
Deferred Inflows of Resources			
Other post-employment benefits	14,464	16,651	-13
Leases	700	837	-16
Pensions	2,807	1,226	129
Total Deferred Inflows of Resources	17,971	18,714	-4
Net Position			
Net investment in capital assets	32,679	25,390	29
Restricted	15,614	15,840	-1
Unrestricted	(32,673)	(26,951)	-21
Total Net Position	$ 15,620	$ 14,279	9

Changes in Net Position

The School District's 2025 revenue was $45,205,682 (see Table A-3). Property taxes and New York State aid accounted for the majority of revenue by contributing 24.6% and 57.2%, respectively, of the total revenue raised (see Table A-4). The remainder of revenue came from fees for services, use of money and property, operating grants and other miscellaneous sources.

The total cost of all programs and services totaled $43,865,948 for 2025. These expenses are predominantly for the education, supervision and transportation of students (see Table A-5). The School District's administrative and business activities accounted for 16.5% of total costs.

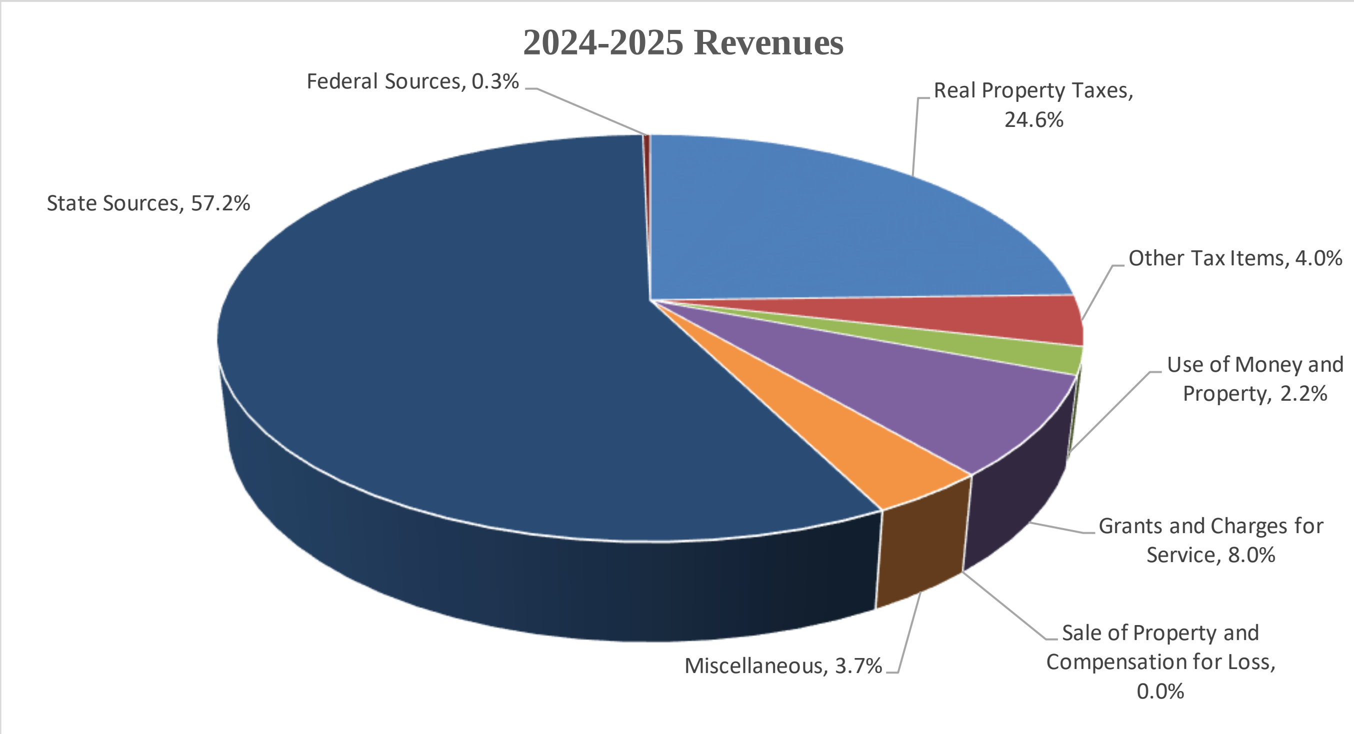
Net position increased during the year by $1,341,134, including an other change in net position of $1,400.

Table A-3

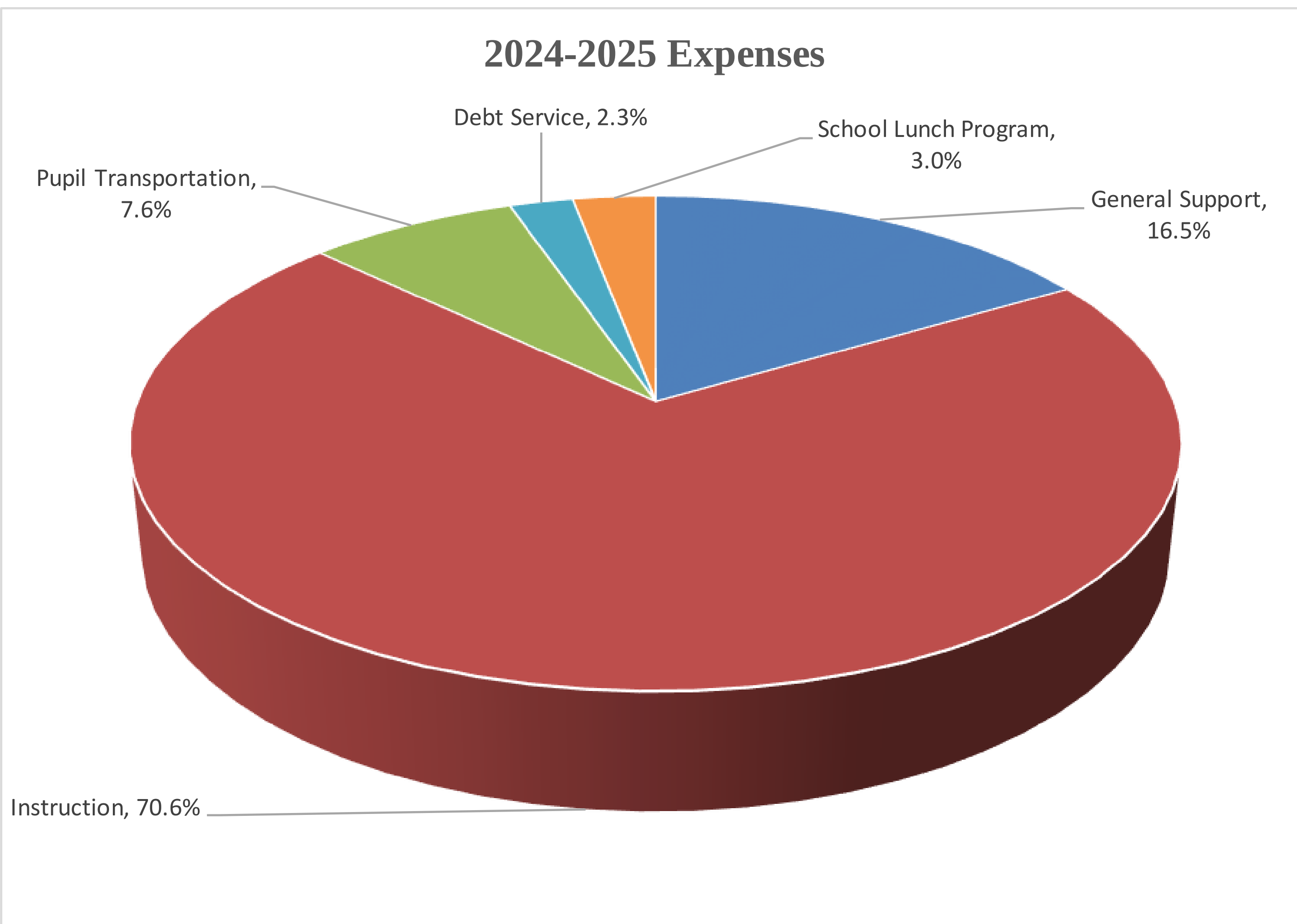
Changes in Net Position from Operating Results (in thousands)

	Fiscal Year 2025	Fiscal Year 2024	% Change (Increase, - Decrease)
Revenues			
Program Revenues			
Charges for services	$ 219	$ 206	6
Operating grants and contributions	3,390	5,457	-38
General Revenues			
Property taxes	12,948	13,359	-3
State sources	25,845	26,391	-2
Federal sources	148	130	14
Use of money and property	985	1,088	-9
Sale of property and compensation for loss	0	732	-100
Miscellaneous	1,670	1,655	1
Total Revenues	45,205	49,018	-8
Expenses			
General support	7,257	7,006	4
Instruction	30,956	32,233	-4
Transportation	3,327	3,522	-6
Community service	5	0	100
Debt service	1,006	1,063	-5
Cost of sales – Lunch Program	1,315	1,319	0
Total Expenses	43,866	45,143	-3
Change in Net Position	1,339	3,875	-65
Other Change in Net Position	1	0	100
Total Change in Net Position	$ 1,340	$ 3,875	-65

REVENUES – TABLE A–4



EXPENDITURES – TABLE A–5



Governmental Activities

Revenue for the School District's governmental activities totaled $45,205,682 while total expenses were $43,865,948 and there was an other change in net position of $1,400. Accordingly, net position increased by $1,341,134. The District's current year financial condition can be attributed to:

- Continued leadership and guidance by the Board of Education.
- Consistent and experienced District leadership.
- Increased revenues from sources other than New York State.
- Use of services from BOCES.
- Improvement in procedures to maximize revenue and control expenditures.

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

Table A-6

Net Cost of Governmental Activities (in thousands)

	Total Cost of Services 2025	Total Cost of Services 2024	% Change (Incr.; -Decr.)	Net Cost of Services 2025	Net Cost of Services 2024	% Change (Incr.; -Decr.)
General support	$ 7,257	$ 7,006	4%	$ 7,257	$ 7,006	4%
Instruction	30,956	32,233	-4%	28,557	27,713	3%
Pupil transportation	3,327	3,522	-6%	3,327	3,522	-6%
Community service	5	0	100%	5	0	100%
Debt service - interest	1,006	1,063	-5%	1,006	1,063	-5%
Cost of sales - lunch program	1,315	1,319	0%	105	175	-40%
Totals	$ 43,866	$ 45,143	-3%	$ 40,257	$ 39,479	2%

- The cost of all governmental activities for the year was $43,865,948.
- The users of the School District's programs financed $219,352 of the costs.
- Federal and state government grants financed $3,389,779.
- The majority of costs were financed by the School District's taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of $23,335,232. The 2024-2025 decrease in overall fund balance was $6,331,917. Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets and the current payments for debt, including the principal and interest payment.

General Fund Budgetary Highlights

Results vs. Budget

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Fav; (Unfav)
REVENUES				
Local Sources	$ 13,759,747	$ 13,759,747	$ 14,683,902	$ 924,155
State Sources	25,596,714	25,596,714	25,831,693	234,979
Federal Sources	120,000	120,000	148,271	28,271
Total Revenues	39,476,461	39,476,461	40,663,866	1,187,405
OTHER FINANCING SOURCES				
Transfers from other funds	59,737	59,737	0	(59,737)
Total Revenues and Other Financing Sources	39,536,198	39,536,198	40,663,866	1,127,668
EXPENDITURES				
General Support	5,326,078	5,904,631	5,307,066	597,565
Instruction	21,792,541	21,851,293	20,890,022	961,271
Pupil Transportation	2,780,400	2,520,741	2,444,443	76,298
Community Services	7,000	5,050	4,867	183
Employee Benefits	9,071,006	9,031,444	8,678,872	352,572
Debt Service	4,341,950	4,341,950	4,045,950	296,000
Total Expenditures	43,318,975	43,655,109	41,371,220	2,283,889
OTHER USES				
Transfers Out	170,000	172,088	172,088	0
Total Expenditures and Other Uses	43,488,975	43,827,197	41,543,308	$ 2,283,889
Revenues Over (Under) Expenditures and Other Uses	(3,952,777)	(4,290,999)	(879,442)	
Beginning Fund Balance	23,418,259	23,418,259	23,418,259	
Ending Fund Balance	$ 19,465,482	$ 19,127,260	$ 22,538,817	

For the 2024-2025 school year, the voters of the District approved a budget of $43,488,975. Overall, at the end of the fiscal year, the budget was increased by $338,222, which included $136,978 in carryover encumbrances and tax certiorari payment of $200,044. The budget was also increased for donations received by the District of $1,200.

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the School District had $57,729,346 (net of depreciation and amortization) invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers and other educational equipment.

Capital Assets

Table A-7

Capital Assets (net of depreciation and amortization) (in thousands)

	Fiscal Year 2025	Fiscal Year 2024
Land, land improvements and construction in progress	$ 51,557	$ 45,485
Buildings and equipment	5,894	6,289
Right to use assets	278	261
Totals	$ 57,729	$ 52,035

Long-Term Debt

As of June 30, 2025, the School District had $68,672,222 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the basic financial statements.

Table A-8

Outstanding long-term debt (in thousands)

	Fiscal Year 2025	Fiscal Year 2024
General obligation bonds (financed with property taxes)	$ 23,605	$ 26,645
All other debt	45,067	43,420
Totals	$ 68,672	$ 70,065

Other debt is comprised of compensated absences and other post-employment benefits.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District is aware of several circumstances that may have a bearing on its financial condition in the future.

The District is highly-dependent on state aid to fund operating expenses. Changes in the State’s economy and other changes at the state level that impact the manner in which state aid is paid could have a significant impact on the finances of the District. Enrollment has declined in the last ten years, which may result in some reductions in expenditures in the upcoming years but may have a negative impact on state aid figures as well.

We are beginning to see a flattening in enrollment, and project minimal declines in the next ten years, which should help to avoid negative impacts to our state aid figures moving forward, assuming no significant change to state aid formulas occur..

The ending of COVID related relief monies, the District is focused on its financial planning to continue to support the needs of our students while remaining financially stable. The fund balance status, inclusive of our reserves, indicates the financial foundation of the school district is solid, which shows the District to be in good stead for future school fiscal years and in a position to minimize negative impacts on our financial position. Unfunded mandates continue to add pressure to the District’s overall financial operation, and changes to State aid over time may further that pressure.

Health insurance, including post-employment benefits costs, remain a formidable component of the budgeting and collective bargaining processes. The District continues to use the competitive bidding process conducted by a third-party broker, to establish contracts with insurance carriers that provide comparable coverages and provide for potential cost savings to the District to hopefully offset any increases in premiums the District pays. As utilization is a major driver of health insurance costs, the District will continue to work with the District-wide Health Insurance Committee, as well as with other school districts in the region, to implement measures to slow the rate of growth in health insurance costs.

Another factor that the District is monitoring closely is the rate of inflation and its impact on the cost of materials and supplies required for educating our students and for the safe, daily operation of the district. The District will continue to utilize competitive bidding and the use of purchasing consortiums to offset higher costs for goods and services.

The Board of Education has established and maintains reserves to help offset anticipated increases in costs or unexpected, unforeseen expenses that may occur. These reserves include:

- Reserve for worker’s compensation
- Reserve for retirement contributions (ERS)
- Reserve for retirement contributions sub-fund (TRS)
- Reserve for tax certiorari
- Reserve for capital projects (construction)
- Reserve for capital projects (buses)
- Reserve for accrued employee benefits liability
- Reserve for property loss
- Reserve for liability claims
- Reserve for unemployment insurance

The District continues to engage in long-range financial planning, reserve planning and fund-balance management. Through the planning process, the District will continue to employ strategies to utilize reserves and fund balance in a planned, methodical manner in an attempt to maintain programs and maximize the best use of our resources.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Greater Johnstown School District
Business Office
1 Sir Bills Circle, Suite 101
Johnstown, New York 12095

GREATER JOHNSTOWN SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS		
Cash		
Unrestricted	$	20,847,954
Restricted		15,676,296
Receivables		
State and Federal aid		1,944,425
Due from other governments		1,367,356
Lease receivable		700,011
Taxes receivable		1,963,497
Other receivables		31,564
Inventories		16,067
Net pension asset - proportionate share		1,985,940
Right to use assets, net of amortization		278,306
Capital assets, net of depreciation		57,451,040
Total Assets		102,262,456
DEFERRED OUTFLOWS OF RESOURCES		
Other post-employment benefits		12,406,135
Pensions		5,456,855
Total Deferred Outflows of Resources		17,862,990
LIABILITIES		
Payables		
Accounts payable		1,603,912
Accrued liabilities		64,175
Collections in advance		44,847
Unearned grant revenues		370
Bond anticipation note payable		13,305,000
Long-term liabilities		
Due and payable within one year		
Due to Teachers' Retirement System		1,446,181
Due to Employees' Retirement System		111,618
Bonds payable		3,135,000
Compensated absences payable		25,265
Due and payable after one year		
Bonds payable		20,470,000
Net pension liability - proportionate share		1,286,484
Other post-employment benefits		44,855,574
Compensated absences payable		186,383
Total Liabilities		86,534,809
DEFERRED INFLOWS OF RESOURCES		
Other post-employment benefits		14,463,863
Lease		700,011
Pensions		2,806,788
Total Deferred Inflows of Resources		17,970,662
NET POSITION		
Net investment in capital assets		32,678,663
Restricted		
Reserve for liability and property loss		558,345
Reserve for tax certiorari		214,779
Reserve for debt service		617,104
Reserves for capital projects		8,396,110
Reserve for capital projects - buses		24,413
Reserve for employee benefit accrued liability		188,000
Reserve for workers' compensation		2,634,763
Unemployment insurance reserve		403,057
Reserve for retirement contribution - TRS		310,289
Reserve for retirement contribution - ERS		2,267,616
Unrestricted		(32,673,164)
Total Net Position	$	15,619,975

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS				
General support	$ 7,256,907	$ 0	$ 0	$ (7,256,907)
Instruction	30,956,373	(170,495)	(2,228,421)	(28,557,457)
Pupil transportation	3,326,597	0	0	(3,326,597)
Debt service	1,005,950	0	0	(1,005,950)
Community service	4,867	0	0	(4,867)
School lunch program	1,315,254	(48,857)	(1,161,358)	(105,039)
Total Functions and Programs	$ 43,865,948	$ (219,352)	$ (3,389,779)	(40,256,817)
GENERAL REVENUES				
Real property taxes				11,108,403
Other tax items				1,839,773
Use of money and property				985,255
Miscellaneous				1,669,931
State sources				25,844,918
Federal sources				148,271
Total General Revenues				41,596,551
CHANGE IN NET POSITION				1,339,734
TOTAL NET POSITION - BEGINNING OF YEAR				14,278,841
OTHER CHANGE IN NET POSITION				1,400
TOTAL NET POSITION - END OF YEAR				$ 15,619,975

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2025

	General	Special Aid	School Lunch	Capital	CM Misc. Special Revenue	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 8,460,085	$ 62,599	$ 4,234	$ 11,859,317	$ 461,719	$ 20,847,954
Restricted	15,614,476	0	0	0	61,820	15,676,296
Due from other funds	8,720,158	200,452	17,745	4,883,799	0	13,822,154
State and Federal aid receivable	648,026	1,124,082	113,214	59,103	0	1,944,425
Due from other governments	1,132,668	0	234,688	0	0	1,367,356
Lease receivable	700,011	0	0	0	0	700,011
Taxes receivable	1,963,497	0	0	0	0	1,963,497
Other receivables	31,456	0	0	108	0	31,564
Inventories	0	0	16,067	0	0	16,067
TOTAL ASSETS	$ 37,270,377	$ 1,387,133	$ 385,948	$ 16,802,327	$ 523,539	$ 56,369,324
LIABILITIES						
Accounts payable	$ 201,206	$ 471,546	$ 610	$ 930,550	$ 0	$ 1,603,912
Accrued liabilities	61,490	5	2,680	0	0	64,175
Due to other funds	10,236,077	915,212	86,348	2,582,972	1,545	13,822,154
Bond anticipation note payable	0	0	0	13,305,000	0	13,305,000
Due to Employees' Retirement System	111,618	0	0	0	0	111,618
Due to Teachers' Retirement System	1,446,181	0	0	0	0	1,446,181
Collections in advance	39,153	0	5,694	0	0	44,847
Unearned grant revenues	0	370	0	0	0	370
Total Liabilities	12,095,725	1,387,133	95,332	16,818,522	1,545	30,398,257
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow - lease	700,011	0	0	0	0	700,011
Deferred tax revenues	1,935,824	0	0	0	0	1,935,824
Total Deferred Inflows of Resources	2,635,835	0	0	0	0	2,635,835
FUND BALANCE						
Nonspendable						
Reserved for inventory	0	0	16,067	0	0	16,067
Restricted						
Reserve for liability and property loss	558,345	0	0	0	0	558,345
Reserve for tax certiorari	214,779	0	0	0	0	214,779
Reserve for debt service	617,104	0	0	0	0	617,104
Reserve for capital projects - 2020	602,460	0	0	0	0	602,460
Reserve for capital projects - 2022	45,293	0	0	0	0	45,293
Reserve for capital projects - 2023	21,906	0	0	0	0	21,906
Reserve for capital projects - 2024	7,726,451	0	0	0	0	7,726,451
Reserve for capital projects - buses	24,413	0	0	0	0	24,413
Reserve for workers' compensation	2,634,763	0	0	0	0	2,634,763
Reserve for employee benefit accrued liability	188,000	0	0	0	0	188,000
Unemployment insurance reserve	403,057	0	0	0	0	403,057
Reserve for retirement contribution - TRS	310,289	0	0	0	0	310,289
Reserve for retirement contribution - ERS	2,267,616	0	0	0	0	2,267,616
Assigned	5,136,688	0	274,549	0	521,994	5,933,231
Unassigned	1,787,653	0	0	(16,195)	0	1,771,458
Total Fund Balance	22,538,817	0	290,616	(16,195)	521,994	23,335,232
TOTAL LIABILITIES AND FUND BALANCE	$ 37,270,377	$ 1,387,133	$ 385,948	$ 16,802,327	$ 523,539	$ 56,369,324

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET POSITION

JUNE 30, 2025

Total balance - governmental funds balance sheet (page 16)	$ 23,335,232
Add:	
Capital assets and right to use assets, net of accumulated depreciation and amortization	57,729,346
Pensions	3,349,523
Deferred tax revenues	1,935,824
Total	63,014,693
Deduct:	
Compensated absences	211,648
Other post-employment benefits	46,913,302
Bonds payable	23,605,000
Total	70,729,950
NET POSITION, GOVERNMENTAL ACTIVITIES	$ 15,619,975

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2025

	General	Special Aid	School Lunch	Capital	CM Misc. Special Revenue	Total Governmental Funds
REVENUES						
Real property taxes	$ 10,533,599	$ 0	$ 0	$ 0	$ 0	$ 10,533,599
Other tax items	1,839,773	0	0	0	0	1,839,773
Charges for services	170,495	0	0	0	0	170,495
Use of money and property	983,629	0	6	0	1,620	985,255
Miscellaneous	1,156,406	0	1,272	80,053	432,200	1,669,931
State sources	25,831,693	1,135,828	398,426	13,225	0	27,379,172
Federal sources	148,271	1,092,593	731,963	0	0	1,972,827
Surplus food	0	0	30,969	0	0	30,969
Sales - school lunch	0	0	48,857	0	0	48,857
Total Revenues	40,663,866	2,228,421	1,211,493	93,278	433,820	44,630,878
EXPENDITURES						
General support	5,307,066	0	0	0	34,619	5,341,685
Instruction	20,890,022	1,857,274	0	0	0	22,747,296
Pupil transportation	2,444,443	0	0	0	0	2,444,443
Community service	4,867	0	0	0	0	4,867
Employee benefits	8,678,872	393,235	1,091	0	0	9,073,198
Debt service						
Principal	3,040,000	0	0	0	0	3,040,000
Interest	1,005,950	0	0	0	0	1,005,950
Cost of sales	0	0	1,235,720	0	0	1,235,720
Capital outlay	0	0	0	6,071,036	0	6,071,036
Total Expenditures	41,371,220	2,250,509	1,236,811	6,071,036	34,619	50,964,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(707,354)	(22,088)	(25,318)	(5,977,758)	399,201	(6,333,317)
OTHER FINANCING SOURCES AND USES						
Operating transfers in	0	22,088	50,000	100,000	0	172,088
Operating transfers (out)	(172,088)	0	0	0	0	(172,088)
Total Other Financing Sources (Uses)	(172,088)	22,088	50,000	100,000	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND USES	(879,442)	0	24,682	(5,877,758)	399,201	(6,333,317)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	23,418,259	(1,400)	265,934	5,861,563	122,793	29,667,149
OTHER CHANGE IN FUND BALANCE	0	1,400	0	0	0	1,400
FUND BALANCE (DEFICIT) - END OF YEAR	$ 22,538,817	$ 0	$ 290,616	$ (16,195)	$ 521,994	$ 23,335,232

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2025

REVENUES		
Governmental funds	$ 44,630,878	
Add:		
Current year deferred tax revenue	1,935,824	
Deduct:		
Prior year deferred tax revenue	1,361,020	
REVENUES - STATEMENT OF ACTIVITIES		45,205,682
EXPENDITURES - GOVERNMENTAL FUNDS	50,964,195	
Add:		
Depreciation and amortization	566,127	
Increase in other post-employment benefits	1,924,298	
Increase in compensated absences	29,577	
	2,520,002	
Deduct:		
Principal payments of long-term debt	3,040,000	
Change in fixed assets	6,260,347	
Pensions	317,902	
	9,618,249	
EXPENDITURES - STATEMENT OF ACTIVITIES		43,865,948
CHANGE IN NET POSITION		$ 1,339,734

See notes to basic financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2025

	Custodial Funds	Private Purpose Trust Funds
ASSETS		
Cash	$ 200,888	$ 0
Investment - restricted	0	277,962
Total Assets	200,888	277,962
NET POSITION	$ 200,888	$ 277,962

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds	Private Purpose Trust Funds
ADDITIONS		
Investment earnings	$ 0	$ 21,765
Extraclassroom receipts	276,783	0
Total Additions	276,783	21,765
DEDUCTIONS		
Extraclassroom disbursements	257,599	0
Total Deductions	257,599	0
Changes in Net Position	19,184	21,765
NET POSITION - BEGINNING OF YEAR	181,704	256,197
NET POSITION - END OF YEAR	$ 200,888	$ 277,962

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found with these financial statements. The District accounts for assets held as the custodian for various student organizations in the custodial fund.

B. Joint Venture

The District is one of 15 component districts in the Hamilton, Fulton and Montgomery Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

B. Joint Venture – (Continued)

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

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

During the year, the District was billed $8,265,616 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued $-0- of serial bonds on behalf of BOCES. As of year-end, the District had outstanding BOCES debt of $-0-.

The District's share of BOCES aid amounted to $2,859,655.

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

C. Basis of Presentation

1. District-Wide Statements

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

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

The Statement of Net Position presents the financial position of the District at fiscal year-end. 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 for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

C. Basis of Presentation – (Continued)

2. Fund Statements

The fund financial 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.

School Lunch Fund – This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted for expenditures of the school breakfast and lunch programs.

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

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

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

The District reports the following fiduciary funds:

Custodial Fund – Fiduciary activities are those in which the District acts as custodian 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.

Private Purpose and Non-Expendable Trust Funds – These funds are used to account for trust arrangements in which the assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government.

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.

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

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

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

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

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, pensions and other post-employment benefits, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property Taxes

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

The City and Counties in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise, a deferred inflow of resources offset real property taxes receivable.

F. Restricted Resources

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

G. Interfund Transactions

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

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

G. Interfund Transactions – (Continued)

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 10 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, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash (and Cash Equivalents)/Investments

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

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

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

Investments are stated at fair value based on quoted market prices.

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.

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

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 that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

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

L. Capital Assets

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

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buses	$ 5,000	Straight-line	8
Land	5,000	N/A	N/A
Building and improvements	5,000	Straight-line	20-50
Machinery and equipment	5,000	Straight-line	5-30

M. Right to Use Assets

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

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

N. Deferred Outflows and Inflows of Resources

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

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

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

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

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
District's proportionate share of the net pension asset (liability)	$(1,286,484)	$ 1,985,940
District's portion of the Plan's total net pension asset (liability)	0.0075032%	0.066562%
Change in proportion since the prior measurement date	0.0001905%	0.003935%

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

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

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

For the year ended June 30, 2025, the District recognized its proportionate share of pension expense of $281,606 for ERS and $1,092,307 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources were:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 319,314	$ 2,138,492	$ 15,062	$ 0
Changes of assumptions	53,953	1,187,994	0	199,832
Net difference between projected and actual earnings on pension plan investments	100,934	0	0	2,206,548
Changes in proportion and differences between the District's contributions and proportionate share of contributions	60,343	151,754	57,696	327,650
District's contributions subsequent to the measurement date	111,618	1,332,453	0	0
Total	$ 646,162	$ 4,810,693	$ 72,758	$ 2,734,030

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

Year ended:	ERS	TRS
2026	$ 219,244	$ 2,419,860
2027	338,460	(464,821)
2028	(107,502)	(503,206)
2029	11,583	221,777
2030	0	82,854
Thereafter	0	0

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

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

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.9%	6.95%
Salary scale	4.3%	1.95 – 5.18%
Decrement tables	April 1, 2015 - March 31, 2020 Systems experience	July 1, 2015 - June 30, 2020 Systems experience
Inflation rate	2.9%	2.4%
Projected cost of living adjustments	1.5%	1.3%

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

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

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

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

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

Actuarial Assumptions – (Continued)

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Asset type		
Domestic equity	3.54%	6.60%
International equity	6.57	7.40
Global equities	0	6.90
Real estate	4.95	6.30
Domestic fixed income securities	0	2.60
Global bonds	0	2.50
High-yield bonds	0	4.80
Real estate debt	0	3.90
Private debt	0	5.90
Fixed income	2.00	0
Credit	5.40	0
Private equity/alternative investments	7.25	10.00
Opportunistic/ARS portfolio	5.25	0
Cash	0.25	0.50
Real assets	5.55	0

Discount Rate

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

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

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

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

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

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset (liability)	$(3,723,248)	$(1,286,484)	$ 748,215

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	$(9,173,170)	$ 1,985,940	$11,371,050

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $111,618.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November, 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amount to $1,446,181.

Additional pension information can be found in Note 11.

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

O. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized. The District had $370 in unearned grant revenue at June 30, 2025.

P. Vested Employee Benefits

Compensated Absences

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

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

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

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

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

Q. Other Benefits

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

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

Substantially all of the District’s employees may become eligible for these benefits if they reach normal retirement age while working for the District. 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.

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

R. Short-Term Debt

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

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

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

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

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Health Insurance Plan

The School District provides health insurance benefits primarily through participation in the Fulmont Health Trust, (the Plan). The Plan was self-insured for the year ended June 30, 2025. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims, (including future claim adjustment expenses), that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The District pays an estimate of its actual claims and expenses monthly based on its experience in the Plan. The Plan has a stop loss policy to protect the School District from unusually high claims. Excess funds, if any, at the close of the Plan's year (December 31), would be used to pay subsequent assessments/premiums. If the Plan were to be discontinued and after exhausting its assets, each member would be responsible for its own liabilities.

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

U. Equity Classifications

District-Wide Statements

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

i) Net Investment in Capital Assets

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

ii) Restricted Net Position

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

iii) Unrestricted Net Position

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

Funds Statements

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

1. Nonspendable

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the School Lunch Fund of $16,067.

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 restricted fund balances:

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

U. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District:

Capital

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

Liability Claims and Property Loss

According to Education Law §1709(8) (c)), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required, and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population under 125,000. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Workers' Compensation

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

Retirement Contributions

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

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

U. Equity Classifications – (Continued)

Funds Statements – (Continued)

2. Restricted – (Continued)

Currently Utilized by the District: – (Continued)

Debt Service

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

Tax Certiorari

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

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used 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 under Restricted Fund Balance.

Unemployment Insurance

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

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

U. Equity Classifications – (Continued)

Funds Statements – (Continued)

3. Committed

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

4. Assigned

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

5. Unassigned

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

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

Order of Use of Fund Balance

The District's policy is to annually determine the appropriate use of fund balance upon recommendation of the Superintendent and Board of Education.

V. New Accounting Standards

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

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

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

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

W. Future Changes in Accounting Standards

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

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

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

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

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

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

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

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

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

i) Long-Term Revenue and Expense Differences

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

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)

ii) Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-Term Debt Transaction Differences

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

iv) Pension Differences

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

v) OPEB Differences

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (CONTINUED)

Budgets – (Continued)

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

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

Encumbrances

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

Fund Balance Deficit

Capital Fund:

The capital fund has a deficit fund balance of $(16,195). This will be funded when the District obtains permanent financing for its current capital projects.

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

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

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

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	26,142,769

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $15,676,296 within the governmental funds and $200,888 in fiduciary funds.

NOTE 5 – INVESTMENTS

The District has few investments (primarily donated scholarship funds) and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value and are categorized as either:

a. Insured or registered, or investments held by the District or by the District's agent in the District's name, or

b. Uninsured and unregistered, with the investments held by the financial institution's trust department in the District's name, or

c. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the District's name.

Investment

Fund	**Private Purpose Trust**	**Private Purpose Trust**	**Private Purpose Trust**
Carrying amount (fair value)	$ 20,571	$ 180,770	$ 76,621
Unrealized investment gain/loss	0	87,218	(4,243)
Type of investment	Money Market	Equities	Fixed Income
Category of investment	C	C	C

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

NOTE 6 – LEASE RECEIVABLE

The District began leasing the former Glebe Street Elementary School to HFM BOCES on July 1, 2020. The lease has a ten year term and HFM BOCES pays annual fixed rent of $142,893 for the term of the lease. The District has recognized a lease receivable of $700,011 as of June 30, 2025, as well as deferred inflows of $700,011, which represent the payments yet to be made over the course of the lease term.

The District recognized $137,157 of deferred inflows of resources in the current year.

NOTE 7 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 261,396	$ 0	$ 0	$ 261,396
Construction in process	42,819,301	6,071,036	0	48,890,337
Total nondepreciable historical cost	43,080,697	6,071,036	0	49,151,733
Capital assets that are depreciated:				
Land improvements	2,405,124	0	0	2,405,124
Buildings	27,047,969	0	0	27,047,969
Furniture and equipment	4,090,285	165,441	1,650,583	2,605,143
Total depreciable historical cost	33,543,378	165,441	1,650,583	32,058,236
Less accumulated depreciation:				
Buildings, furniture and equipment	24,849,550	476,292	1,566,913	23,758,929
Total accumulated depreciation	24,849,550	476,292	1,566,913	23,758,929
Net depreciable historical cost	8,693,828	(310,851)	83,670	8,299,307
Right to use assets that are amortized:				
Equipment	1,130,813	107,540	38,227	1,200,126
Less accumulated amortization:				
Equipment	870,212	89,835	38,227	921,820
Net amortizable historical cost	260,601	17,705	0	278,306
GRAND TOTAL	$ 52,035,126	$ 5,777,890	$ 83,670	$ 57,729,346

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

General support	$ 94,672
Instruction	405,786
Pupil transportation	43,606
School lunch program	22,063
TOTAL	$ 566,127

NOTE 8 – SHORT-TERM DEBT

Interest paid on short-term debt for the year was $189,000.

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/26/2026	3.30%	$ 0	$ 3,305,000	$ 0	$ 3,305,000
BAN	6/26/2026	4.25%	0	10,000,000	0	10,000,000
BAN	6/27/2025	3.78%	5,000,000	0	5,000,000	0
TOTALS			$ 5,000,000	$ 13,305,000	$ 5,000,000	$ 13,305,000

NOTE 9 – LONG-TERM DEBT

Interest paid on long-term debt for the year was $816,950.

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds and notes payable					
General obligation debt	$ 26,645,000	$ 0	$ 3,040,000	$ 23,605,000	$ 3,135,000
Total bonds and notes payable	26,645,000	0	3,040,000	23,605,000	3,135,000
Other liabilities:					
Other post-employment benefits	43,238,328	1,617,246	0	44,855,574	0
Compensated absences, net	182,071	29,577	0	211,648	25,265
Total other liabilities	43,420,399	1,646,823	0	45,067,222	25,265
TOTAL LONG-TERM LIABILITIES	$ 70,065,399	$ 1,646,823	$ 3,040,000	$ 68,672,222	$ 3,160,265

The current portion (amount due within one year) of other post-employment benefits as of June 30, 2025, was not determinable.

NOTE 9 – LONG-TERM DEBT – (CONTINUED)

The following is a summary of maturity of indebtedness:

Description of Issue	Serial Bond	Serial Bond
Issue date	2016	2019
Final maturity	2028	2033
Interest rate	2.00-4.00%	3.000%
Outstanding at year end	$ 1,295,000	$ 22,310,000

	Principal	Interest	Total
Fiscal year ended June 30:			
2026	$ 3,135,000	$ 721,100	$ 3,856,100
2027	3,235,000	622,250	3,857,250
2028	3,130,000	520,200	3,650,200
2029	2,735,000	423,150	3,158,150
2030	2,815,000	341,100	3,156,100
2031 - 2033	8,555,000	506,400	9,061,400
TOTALS	$ 23,605,000	$ 3,134,200	$ 26,739,200

In the prior year, the District defeased certain general obligations 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.

NOTE 10 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	$ 8,720,158	$ 10,236,077	$ 0	$ 172,088
Special Aid Fund	200,452	915,212	22,088	0
School Lunch Fund	17,745	86,348	50,000	0
CM Miscellaneous Special Revenue Fund	0	1,545	0	0
Capital Projects Fund	4,883,799	2,582,972	100,000	0
Total Governmental Activities	13,822,154	13,822,154	172,088	172,088
Fiduciary Fund	0	0	0	0
TOTALS	$ 13,822,154	$ 13,822,154	$ 172,088	$ 172,088

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 11 – PENSION PLANS

General Information

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

Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

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

NOTE 11 – PENSION PLANS – (CONTINUED)

Plan Descriptions and Benefits Provided: - (Continued)

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

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

	NYSTRS	NYSERS
2025	$ 1,332,453	$ 366,610
2024	1,237,420	285,823
2023	1,189,917	203,756

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

Additional pension information can be found in Note 1 N.

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS

General Information About the OPEB Plan:

Plan Description

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

Funding Policy

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

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

General Information About the OPEB Plan: - (Continued)

Benefits Provided

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

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefit payments	204
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	258
Total	462

Net OPEB Liability:

The District's total OPEB liability of $44,855,574 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs

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

Inflation	2.6%
Salary Increases	Varied by years of service and retirement system
Discount Rate	4.81%
Healthcare Cost Trend Rates - Medical	6.75% in 2025, decreasing to an ultimate rate of 4.04% by 2075

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2021.

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

Changes in the Total OPEB Liability:

Balance at June 30, 2024	$ 43,238,328
Changes for the year:	
Service cost	1,733,783
Interest	1,852,093
Changes in benefit terms	(676,953)
Differences between expected and actual experience	3,824,829
Changes in assumptions or other inputs	(3,137,282)
Benefit payments	(1,979,224)
Net changes	1,617,246
Balance at June 30, 2025	$ 44,855,574

The plan had the following changes since the last valuation:

- Discount rate increased from 4.21% to 4.81%.
- Health care trend rates were updated.

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 (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 51,962,170	$ 44,855,574	$ 39,129,327

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 (5.75% decreasing to 3.04%) or 1 percentage point higher (7.75% decreasing to 5.04%) than the current healthcare cost trend rate:

	1% Decrease (5.75% Decreasing to 3.04%)	Healthcare Cost Trend Rates (6.75% Decreasing to 4.04%)	1% Increase (7.75% Decreasing to 5.04%)
Total OPEB Liability	$ 38,029,781	$ 44,855,574	$ 53,637,909

NOTE 12 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS – (CONTINUED)

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

For the year ended June 30, 2025, the District recognized OPEB expense of $1,924,298. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,837,556	$ 6,153,064
Changes of assumptions or other inputs	5,568,579	8,310,799
Total	$ 12,406,135	$ 14,463,863

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

Fiscal Year Ending June 30:	
2026	$ 1,127,328
2027	(1,465,512)
2028	(2,107,690)
2029	144,962
2030	144,963
Thereafter	98,221
Total	$ (2,057,728)

NOTE 13 – RISK MANAGEMENT

General

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

Consortiums and Self Insured Plans

The District participates in Fulmont Workers Compensation Plan, a risk-sharing pool to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to workers' compensation claims. The District's share of liability for unbilled and open claims is $206,953.

For its employee health and accident insurance coverage, the District is a participant in the Fulmont Health Trust, a public entity risk pool operated for the benefit of seven individual school districts located within Montgomery and Fulton Counties.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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

The District is a party to tax certiorari cases filed for 2023, 2024 and 2025 by one District taxpayer. The District's exposure is limited to a refund of any school tax payments made in excess of that due under the assessed value determined by the Court or by settlement. The approximate total liabilities for the three years is $108,458.

NOTE 15 – FAIR VALUE MEASUREMENTS

As required by GASB 72 *Fair Value Measurements,* the District is required to value investment securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

(A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.

(B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

(C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair values of assets measured on a recurring basis at June 30, 2025, are as follows:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Scholarship Funds	$ 277,962	$ 277,962	$ 0	$ 0

NOTE 16 – TAX ABATEMENTS

The District had no tax abatement agreements for the year ended June 30, 2025.

NOTE 17 – OTHER CHANGE IN FUND BALANCE/NET POSTION

Other change in fund balance in the special aid fund consists of $1,400 to clear prior year grant deficits.

NOTE 18 – SUBSEQUENT EVENTS

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

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Revenues	Final Budget Variance with Budgetary Actual Over (Under)
REVENUES:				
Local Sources				
Real property taxes	$ 12,265,659	$ 11,108,403	$10,533,599	$ (574,804)
Real property tax items	480,538	1,637,794	1,839,773	201,979
Charges for services	137,350	137,350	170,495	33,145
Use of money and property	168,200	168,200	983,629	815,429
Miscellaneous	708,000	708,000	1,156,406	448,406
Total Local Sources	13,759,747	13,759,747	14,683,902	924,155
State Sources	25,596,714	25,596,714	25,831,693	234,979
Federal Sources	120,000	120,000	148,271	28,271
Total Revenues	39,476,461	39,476,461	40,663,866	1,187,405
OTHER FINANCING SOURCES				
Transfers from other funds	59,737	59,737	0	(59,737)
Total Revenues	39,536,198	39,536,198	40,663,866	$ 1,127,668

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

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Expenditures	Year End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances (Over) Under
EXPENDITURES					
General Support					
Board of Education	91,703	90,900	81,919	$ 1,124	$ 7,857
Central administration	244,015	250,063	245,300	2,947	1,816
Finance	419,934	513,526	461,045	32,529	19,952
Staff	280,793	300,354	282,532	0	17,822
Central services	3,625,626	3,861,833	3,368,667	65,169	427,997
Special items	664,007	887,955	867,603	0	20,352
Instructional					
Instruction, administration and improvements	1,073,155	1,169,887	1,114,064	10,179	45,644
Teaching – regular school	10,588,611	10,607,944	10,320,697	80,935	206,312
Programs for children with handicapping conditions	5,581,568	5,400,579	5,051,269	0	349,310
Occupational education	1,350,811	1,260,350	1,161,600	0	98,750
Teaching - special school	0	24,965	24,965	0	0
Instructional media	1,321,531	1,355,536	1,275,646	1,843	78,047
Pupil services	1,876,865	2,032,032	1,941,781	2,405	87,846
Pupil Transportation	2,780,400	2,520,741	2,444,443	21,949	54,349
Community Services	7,000	5,050	4,867	0	183
Employee Benefits	9,071,006	9,031,444	8,678,872	0	352,572
Debt Service	4,341,950	4,341,950	4,045,950	0	296,000
Total Expenditures	43,318,975	43,655,109	41,371,220	219,080	2,064,809
Other Financing Uses					
Transfers to other funds	170,000	172,088	172,088	0	0
Total Expenditures and Other Uses	43,488,975	43,827,197	41,543,308	$ 219,080	$ 2,064,809
NET CHANGE IN FUND BALANCE	(3,952,777)	(4,290,999)	(879,442)		
FUND BALANCE – BEGINNING	23,418,259	23,418,259	23,418,259		
FUND BALANCE – ENDING	$ 19,465,482	$ 19,127,260	$ 22,538,817		

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

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability								
Service cost	$ 1,733,783	$ 1,701,462	$ 1,688,616	$ 2,420,862	$ 4,799,743	$ 3,134,563	$ 1,521,254	$ 1,586,592
Interest	1,852,093	1,741,352	1,910,375	1,420,303	2,100,842	2,456,264	2,045,968	1,873,939
Change of benefit terms	(676,953)	0	(68,851)	0	(41,412,707)	0	0	0
Differences between expected and actual experience	3,824,829	852,609	(12,282,648)	230,281	3,496,511	(82,198)	8,434,615	0
Change of assumptions or other inputs	(3,137,282)	(525,421)	(1,233,254)	(13,353,986)	5,815,823	19,481,127	5,057,540	(2,667,769)
Benefit payments	(1,979,224)	(1,967,473)	(1,695,703)	(1,858,244)	(1,597,548)	(1,544,364)	(1,576,067)	(2,021,465)
Net change in total OPEB liability	1,617,246	1,802,529	(11,681,465)	(11,140,784)	(26,797,336)	23,445,392	15,483,310	(1,228,703)
Total OPEB Liability - beginning	43,238,328	41,435,799	53,117,264	64,258,048	91,055,384	67,609,992	52,126,682	53,355,385
Total OPEB Liability - ending	$ 44,855,574	$ 43,238,328	$ 41,435,799	$ 53,117,264	$ 64,258,048	$ 91,055,384	$ 67,609,992	$ 52,126,682
Covered-employee payroll	$ 14,813,881	$ 12,437,610	$ 11,801,322	$ 12,808,222	$ 9,741,379	$ 10,808,216	$ 12,073,210	$ 13,956,493
Total OPEB liability as a percentage of covered-employee payroll	302.79%	347.64%	351.11%	414.71%	659.64%	842.46%	560.00%	373.49%
Plan's fiduciary net position	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Net OPEB Liability	$ 44,855,574	$ 43,238,328	$ 41,435,799	$ 53,117,264	$ 64,258,048	$ 91,055,384	$ 67,609,992	$ 52,126,682

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

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

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

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0075032%	0.0073127%	0.0069773%	0.0060573%	0.0067375%	0.0073005%	0.0079615%	0.0083463%	0.0092817%	0.0087954%
District's proportionate share of the net pension liability (asset)	$ 1,286,484	$ 1,076,724	$ 1,496,219	$ (495,158)	$ 6,709	$ 1,933,212	$ 564,099	$ 269,373	$ 872,132	$ 1,411,681
District's covered-employee payroll	2,873,820	2,285,724	2,107,359	1,868,489	2,081,382	2,321,451	2,554,101	2,656,066	2,524,787	2,384,703
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.8%	47.1%	71.0%	26.5%	0.3%	83.3%	22.1%	10.1%	34.5%	59.2%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.2%	94.7%	90.7%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.066562%	0.062627%	0.060821%	0.058056%	0.056381%	0.063476%	0.066171%	0.064136%	0.066097%	0.064083%
District's proportionate share of the net pension liability (asset)	$ (1,985,940)	$ 716,196	$ 1,167,080	$ (10,060,624)	$ 1,557,957	$ (1,649,098)	$ (1,196,549)	$ (487,497)	$ 707,926	$ (6,656,189)
District's covered-employee payroll	12,591,701	12,708,975	11,566,715	10,774,520	9,846,957	9,569,628	10,595,094	10,694,561	10,163,439	10,503,591
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.8%	5.6%	10.1%	-93.4%	15.8%	-17.2%	-11.3%	-4.6%	7.0%	-63.4%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.70%	99.00%	110.50%

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

GREATER JOHNSTOWN SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS

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

NYS Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 366,610	$ 285,823	$ 203,756	$ 302,393	$ 289,945	$ 334,453	$ 364,321	$ 386,052	$ 380,417	$ 444,137
Contributions in relation to the contractually required contribution	366,610	285,823	203,756	302,393	289,945	334,453	364,321	386,052	380,417	444,137
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 2,873,820	$ 2,285,724	$ 2,107,359	$ 1,868,489	$ 2,081,382	$ 2,321,451	$ 2,554,101	$ 2,656,066	$ 2,524,787	$ 2,384,703
Contribution as a percentage of covered-employee payroll	12.76%	12.50%	9.67%	16.18%	13.93%	14.41%	14.26%	14.53%	15.07%	18.62%

NYS Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,273,021	$ 1,240,396	$ 1,190,215	$ 1,055,903	$ 938,415	$ 847,869	$ 1,125,199	$ 1,048,067	$ 1,191,155	$ 1,392,710
Contributions in relation to the contractually required contribution	1,273,021	1,240,396	1,190,215	1,055,903	938,415	847,869	1,125,199	1,048,067	1,191,155	1,392,710
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
District's covered-employee payroll	$ 12,591,701	$ 12,708,975	$ 11,566,715	$ 10,774,520	$ 9,846,957	$ 9,569,628	$ 10,595,094	$ 10,694,561	$ 10,163,439	$ 10,503,591
Contribution as a percentage of covered-employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

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

GREATER JOHNSTOWN SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2025

ADOPTED BUDGET	$ 43,488,975
ADDITIONS:	
Prior year's encumbrances	136,978
Tax certiorari	200,044
Donations	1,200
FINAL BUDGET	$ 43,827,197

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

FOR THE YEAR ENDED JUNE 30, 2025

2025-2026 voter-approved expenditure budget	$ 45,156,817
Maximum allowed (4% of 2025-2026 budget)	1,806,273
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	5,136,688
Unassigned fund balance	1,787,653
Total unrestricted fund balance	6,924,341
Less:	
Appropriated fund balance and encumbrances	5,136,688
Total utilized	5,136,688
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	$ 1,787,653
Actual percentage	4.0%

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

GREATER JOHNSTOWN SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES

FOR THE YEAR ENDED JUNE 30, 2025

			Expenditures				Methods of Financing			
Project Title	**Original Appropriation**	**Revised Appropriation**	**Prior Year**	**Current Year**	**Total**	**Unexpended Balance**	**Local Sources**	**State Aid**	**Proceeds of Obligations**	**Fund Balances**
District Wide Capital Project	$ 39,600,000	$ 39,600,000	$ 37,687,707	$ 0	$ 37,687,707	$ 1,912,293	$ 3,267,010	$ 48,346	$ 37,539,520	$ 3,167,169
$15,000,000 District Wide Project	15,000,000	15,000,000	1,347,634	3,514,562	4,862,196	10,137,804	1,310,053	0	0	(3,552,143)
2022-23 Capital Outlay Project	100,000	100,000	43,268	0	43,268	56,732	100,000	0	0	56,732
2023-24 Capital Outlay Project	100,000	100,000	85,110	0	85,110	14,890	100,000	0	0	14,890
2024-25 Capital Outlay Project	100,000	100,000	0	100,000	100,000	0	100,000	0	0	0
Small Project (24-25)	5,000,000	5,000,000	64,262	438,407	502,669	4,497,331	5,000,000	0	0	4,497,331
Knox Turf	2,000,000	2,000,000	2,000,000	0	2,000,000	0	0	0	0	(2,000,000)
Energy Performance Contract	2,339,959	2,339,959	195,332	2,004,842	2,200,174	139,785	0	0	0	(2,200,174)
Smart Schools Bond Act	1,755,889	1,755,889	1,741,945	13,225	1,755,170	719	0	1,755,170	0	0
TOTALS	$ 65,995,848	$ 65,995,848	$ 43,165,258	$ 6,071,036	$ 49,236,294	$ 16,759,554	$ 9,877,063	$ 1,803,516	$ 37,539,520	$ (16,195)

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

GREATER JOHNSTOWN SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

NET INVESTMENT IN CAPITAL ASSETS

JUNE 30, 2025

CAPITAL ASSETS, NET		$ 57,729,346
DEDUCT:		
Bond anticipation notes payable	$ 13,305,000	
Less: Unspent bond anticipation note proceeds	(11,859,317)	
Short-term portion of bonds payable	3,135,000	
Long-term portion of bonds payable	20,470,000	
		25,050,683
NET INVESTMENT IN CAPITAL ASSETS		$ 32,678,663

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

GREATER JOHNSTOWN SCHOOL DISTRICT

FEDERAL AWARD PROGRAM INFORMATION
(SINGLE AUDIT)

(UNIFORM GUIDANCE)

JUNE 30, 2025

WEST & COMPANY CPAs PC

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

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greater Johnstown School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 1, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 1, 2025

WEST & COMPANY CPAs PC

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

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Report on Compliance for Each Major Federal Program

Qualified Opinion

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2025.

Basis for Qualified Opinion

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the Child Nutrition Cluster, assistance listing 10.553 and 10.555 as described in finding number 2025-001 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 1, 2025

GREATER JOHNSTOWN SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Pass-through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Passed Through NYS Education Department:				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	0032250269	$ 27,012	$ 503,648
Special Education Preschool Grants	84.173	0033250269	4,448	16,695
Total Special Education Cluster (IDEA)			31,460	520,343
Covid-19 Education Stabilization Funds				
ARP, ESSER, Homeless Children and Youth	84.425W	5218210965	0	548
Total Covid-19 Education Stabilization Funds			0	548
Title I Grants to Local Educational Agencies	84.010	0021240965	0	4,789
Title I Grants to Local Educational Agencies	84.010	0021250965	0	365,036
Total Title I Grants to Local Educational Agencies			0	369,825
Supporting Effective Instruction State Grants	84.367	0147240965	0	6,615
Supporting Effective Instruction State Grants	84.367	0147250965	0	65,124
Total Supporting Effective Instruction State Grants			0	71,739
Student Support and Academic Enrichment Program	84.424	0204240965	0	2,576
Student Support and Academic Enrichment Program	84.424	0204250965	0	30,023
Total Student Support and Academic Enrichment Program			0	32,599
Total U.S. Department of Education			31,460	995,054
U.S. DEPARTMENT OF AGRICULTURE				
Farm to School Grant Program	10.575	Not Applicable	0	49,501
Passed Through NYS Education Department:				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution)				
National School Lunch Program	10.555	Not Applicable	0	30,969
Cash Assistance				
School Breakfast Program	10.553	Not Applicable	0	195,315
National School Lunch Program	10.555	Not Applicable	0	496,976
Covid-19 National School Lunch Program, Supply Chain Assistance	10.555	Not Applicable	0	4,872
Fresh Fruit and Vegetable Program	10.582	Not Applicable	0	34,800
Total Child Nutrition Cluster			0	762,932
Child Nutrition Discretionary Grants Limited Availability	10.579	0005240033	0	48,038
Total U.S. Department of Agriculture			0	860,471
TOTAL FEDERAL AWARDS EXPENDED			$ 31,460	$ 1,855,525

See notes to schedule of expenditures of federal awards.

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

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

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

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

NOTE 2 – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received and disbursed. At June 30, 2025, the District had food commodities totaling $3,952 in inventory.

NOTE 3 – INDIRECT COST RATE

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District may charge federal award programs with indirect costs, based upon a 15% indirect cost rate calculated by the New York State Education Department. The District did not charge indirect costs to grants during the year ended June 30, 2025.

NOTE 4 – CLUSTERS

The Special Education Cluster (IDEA) consists of Special Education Grants to States and Special Education Preschool Grants. The Child Nutrition Cluster consists of Food Distribution, School Breakfast Program, Covid-19 National School Lunch Program, Supply Chain Assistance, Fresh Fruit and Vegetable Program and National School Lunch Program.

GREATER JOHNSTOWN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. Type of auditors' report issued: unmodified

2. Internal control over financial reporting:

   a. Material weakness(es) identified? ___Yes _X_No

   b. Significant deficiency(ies) identified? ___ Yes _X__No

3. Noncompliance material to financial statements noted? ___Yes _X_No

Federal Awards

1. Internal control over major programs:

   a. Material weakness(es) identified? _X__Yes __No

   b. Significant deficiency(ies) identified? ___Yes _X_No

2. Type of auditors' report issued on compliance for major programs: qualified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516? _X__Yes ____No

4. Identification of major programs:

Assistance Listing	**Name of Federal Program**
10.553, 10.555, 10.582	Child Nutrition Cluster

5. Dollar threshold used to distinguish between type A and B programs: $750,000.

6. Auditee qualified as low-risk auditee? _X_Yes ___No

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None.

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

Finding 2025-001 – Reporting

Federal Award & Specific Award Identification

U.S. Department of Agriculture
Passed through the New York State Department of Education
Program Name: Child Nutrition Cluster
Assistance Listing: 10.553, 10.555 & 10.582

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Reporting

Criteria

The National School Lunch & Breakfast Program requires monthly claims be reported to New York State Child Nutrition Management System (CNMS). These claims are based on the number of meals served during the month and determine the monthly reimbursement to the District.

Statement of Condition

During the audit, we found that for one month of claims the District did not submit the proper amount of meals for reimbursement for breakfast and lunch.

Cause

Human error in the input of meals served into the CNMS system. Also, the District does not have any procedures in place to verify that the correct counts are input into CNMS prior to submission.

Effect

The District received additional federal reimbursement that was not substantiated by actual meals for the month.

Questioned Costs

$12,296. This amount was determined by taking the actual number of meals served for breakfast and multiplying by the reimbursement rate per meal.

Context

Of the 10 months of claims for the school lunch & breakfast program, we examined 3 and determined that one month's breakfast and lunch claims were not submitted properly.

There have been no previous instances of non-compliance. This is not a repeat finding.

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

Recommendation

We recommend that a secondary review of the manual inputs into the CNMS system is performed by another member of the District's staff prior to submission to CNMS.

View of Responsible Individuals

The District acknowledges the error was made, which was the result of booking one month of breakfast reimbursement using the number of lunches served. Prior to the issuance of the financial statements, the District corrected the May breakfast and lunch claim and re-submitted for reimbursement to CNMS, and has implemented a procedure to verify that correct amounts are inputted into CNMS monthly, prior to submission.

Greater Johnstown School District
Pleasant Avenue Elementary ● Warren Street Elementary ● Knox Middle School ● Johnstown High School

Alicia D. Koster
Superintendent of Schools

Scott M. Hale
Assistant Superintendent

1 Sir Bills Circle, Johnstown, New York 12095
Telephone: 518-762-4611; Fax: 518-762-5654

CORRECTIVE ACTION PLAN

Finding 2025-001 – Reporting

The District concurs with the finding 2025-001.

Corrective Action:

Moving forward, the District Treasurer will enter the monthly claims with the Food Service Director and will verify that the meal counts and the total claims are correct for both breakfast and lunch. The anticipated completion date of the corrective action is September 29, 2025.

Contact Person:

Alicia D. Koster, Superintendent of Schools
(518) 762-4611
akoster@johnstownschools.org

The District's mission is to be the regional model school district of educational excellence for all students.

GREATER JOHNSTOWN SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

EXTRACLASSROOM ACTIVITY FUNDS

JUNE 30, 2025

WEST & COMPANY
CPAs PC

INDEPENDENT AUDITORS' REPORT

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Report on the Audit of the Financial Statements

Opinion

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

Qualified Opinion

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

Basis for Qualified Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Basis of Accounting

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

WEST & COMPANY CPAs PC

Gloversville, New York
October 1, 2025

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS

JUNE 30, 2025

ASSETS	
Cash	$ 200,888
TOTAL ASSETS	$ 200,888
LIABILITIES AND CLUB BALANCES	
Club balances	$ 200,888
TOTAL LIABILITIES AND CLUB BALANCES	$ 200,888

See notes to financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID

FOR THE YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Receipts	Disbursements	Balance June 30, 2025
Johnstown High School				
Art Club	$ 36	$ 65	$ 0	$ 101
Baronet Yearbook	9,850	2,334	400	11,784
Bugle Newspaper	165	0	0	165
Cheerleading	0	4,771	4,496	275
Class of 2024	950	710	1,660	0
Class of 2025	18,423	33,672	45,833	6,262
Class of 2026	14,699	33,342	29,313	18,728
Class of 2027	4,003	5,076	1,469	7,610
Class of 2028	0	8,519	2,095	6,424
Drama Club	30,724	14,879	22,290	23,313
Gaming Club	114	0	0	114
Hiking Club	56	0	56	0
Interest on Account	7	27	0	34
International Club	1,712	9,719	10,843	588
Johnstown Equality Alliance	164	33	33	164
Key Club	211	846	874	183
Marching Band	4,407	0	0	4,407
Masterminds	2	0	0	2
Modern Day Art Club	0	118	118	0
National History Club	434	0	0	434
National Honor Society	2,195	577	784	1,988
Odyssey of the Mind	16,337	7,089	11,457	11,969
Photography Club	8	0	8	0
The Book Club	167	0	167	0
SADD - Post Prom	2,628	3,650	3,381	2,897
Science Club	4,002	1,366	1,269	4,099
Student Council	3,393	4,840	3,458	4,775
Winterguard	1,521	4,593	3,567	2,547
Tax Account	557	3,855	4,333	79
Total Johnstown High School	116,765	140,081	147,904	108,942
Knox Junior High School				
Art Club	118	352	423	47
Battle of the Books	31	165	190	6
Cooking Club	193	588	201	580
Foreign Language Club	726	0	25	701
Just Run	0	100	82	18
Kids with Heart	0	1,297	1,297	0
Music Club	4,494	150	4,555	89
Show choir	0	2,195	1,531	664
Student Council	2,939	1,236	470	3,705
Tax Account	0	92	92	0
Yearbook Club	2,071	0	0	2,071
Total Knox Junior High School	10,572	6,175	8,866	7,881

See notes to financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID – (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Receipts	Disbursements	Balance June 30, 2025
Total Johnstown High School and Knox Junior High School (from previous page)	$ 127,337	$ 146,256	$ 156,770	$ 116,823
Athletic Clubs				
Boys Soccer	740	4,144	3,464	1,420
Girls Soccer	422	1,784	478	1,728
Volleyball	870	3,672	3,643	899
Weight lifting club	0	2,212	0	2,212
Football	369	31,689	17,592	14,466
Cross Country	5,085	4,967	7,839	2,213
Field Hockey	260	0	0	260
Golf	375	0	60	315
Cheerleading	1,904	0	1,904	0
Girls Tennis	119	0	119	0
Nordic Ski	1,005	0	520	485
Alpine Ski	241	4,930	3,255	1,916
Wrestling	8,856	12,237	12,837	8,256
Girls Basketball	3,749	5,551	6,067	3,233
Boys Basketball	9,185	18,025	11,772	15,438
Bowling	1,817	2,145	1,714	2,248
Boys Swimming	1,601	438	857	1,182
Baseball	2,815	12,712	11,239	4,288
Softball	1,468	1,348	1,358	1,458
Boys Tennis	312	0	312	0
Boys Lacrosse	3,129	8,290	1,934	9,485
Girls Lacrosse	1,228	1,185	588	1,825
Track	8,817	15,198	13,277	10,738
Total Athletic Clubs	54,367	130,527	100,829	84,065
TOTALS	$ 181,704	$ 276,783	$ 257,599	$ 200,888

See notes to financial statements.

GREATER JOHNSTOWN SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Extraclassroom Activity Funds of the Greater Johnstown School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. However, since the Board of Education does exercise general oversight, these funds are reflected in the Custodial Fund of the basic financial statements of the District.

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

NOTE 2 – MANAGEMENT LETTER

Management letter items associated with the Extraclassroom Activity Funds are included in the management letter associated with the District's basic financial statements.

WEST & COMPANY
CPAs PC

October 1, 2025

To the President and the Other Members
of the Board of Education of the
Greater Johnstown School District
Johnstown, New York

Re: Management Letter
June 30, 2025

In planning and performing our audit of the basic financial statements of the Greater Johnstown School District for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and improving operating efficiency. The memorandum that follows summarizes our comments and recommendations regarding those matters. We previously reported on the District's internal control in our report dated October 1, 2025. This report does not affect our report dated October 1, 2025, on the financial statements of the Greater Johnstown School District.

Prior-Year Comments

1) Extraclassroom Activity Funds

Prior Condition: We noted the following items in regard to the District's Extraclassroom Activity Funds for the year ended June 30, 2024:

a) There were 9 fiscally inactive clubs in 2023-24 which should either become active to utilize the funds or the funds should be redistributed at the discretion of the Board of Education.

b) We noted 6 instances where sales tax was not collected of the 58 tested receipts and 5 instances where sales tax was not paid of the 41 tested disbursements.

c) We noted 14 fundraisers which did not prepare profit and loss statements.

d) In 2023-2024, there were 3 of 41 tested disbursements missing signatures and there were 16 out of 58 tested receipts missing signatures.

Status: These conditions remain unchanged as of June 30, 2025.

a) For the 2024-2025 year there were 7 fiscally inactive clubs.

b) We noted 7 instances where sales tax was not collected of the 67 tested receipts and 12 instances where sales tax was not paid of the 46 tested disbursements.

c) We noted 29 fundraiser receipts which did not have profit and loss statements.

d) In 2024-25, there were two out of 67 tested receipts missing signatures.

Recommendation: We recommend that the District and all the clubs review the NYS Pamphlet #2 and ensure all Extraclassroom Activity Funds are in compliance with these regulations.

2) Confirming Purchase Orders

Prior Condition: Through testing of a sample of 40 disbursements for our 2024 audit, we noted three instances of confirming purchase orders.

Status: This condition remains unchanged as of June 30, 2025. Our 2025 testing of a sample of 40 purchase orders noted five confirming purchase orders.

Recommendation: We recommend that the District ensure all purchases are made from proper purchase orders approved in advance of the purchase occurring, rather than confirming purchase orders created after an invoice is received.

3) Unassigned General Fund Balance

Prior Condition: The District's unassigned General Fund balance at June 30, 2024, was in excess of the New York State Real Property Tax Law limit, which restricts the balance to an amount not greater than 4% of the District's appropriation budget for the upcoming year.

Status: This condition has been corrected as of June 30, 2025.

4) Disbursement Testing

Prior Condition: Our 2024 testing of a sample of 40 District disbursements noted one instance of sales tax being paid.

Status: Our 2025 testing of a sample of 40 District disbursements noted one instance of sales tax being paid, one disbursement lacking the claims auditor's signoff and one disbursement lacking an invoice from the vendor.

Recommendation: We recommend that the District ensure that all purchasing and disbursement procedures and approvals are being followed.

5) Payroll Testing

Prior Condition: Our 2024 testing of 40 District paychecks noted one employee who did not sign and return their salary notice and two employees who had incomplete I-9s.

Status: This condition has been corrected as of June 30, 2025.

6) **Reserve Balances**

Prior Condition: The District has several reserves with high balances which could be questioned by the New York State Comptroller if they were to review the District's finances. In particular, the workers' compensation reserve, unemployment reserve and tax certiorari reserve balances are higher than ideal.

Status: As of June 30, 2025, the tax certiorari reserve balance is appropriate given current tax certiorari claims outstanding. The workers' compensation and unemployment reserve balances remain higher than ideal.

Recommendation: We recommend that the District review their reserves to ensure that the balances are reasonable and necessary.

Current-Year Comments

1) **ACH Payments**

Condition: The District's Internal Claims Auditor did not review and approve the ACH payments to HFM BOCES during the year.

Recommendation: We recommend that the District ensure that the Internal Claims Auditor is reviewing and approving all wire and ACH payments which are not for payroll prior to the payment being made.

2) **Internal Claims Audit**

Condition: The Board of Education approved a resolution authorizing the District Treasurer and/or Deputy Treasurer to pay invoices in the absence of the District's Internal Claims Auditor under conditions calling for immediate payment. The invoices to then be submitted to the Internal Claims Auditor for audit.

Recommendation: To maintain the independence of the claims auditing function, the Internal Claims Auditor should be independent of the purchasing and check signing functions. We recommend that the District appoint an individual who has no role in purchasing or treasury functions to the role of Deputy Internal Claims Auditor to handle any payments when the Internal Claims Auditor is unavailable.

* * * * * * * * * * * * * * * * * *

We appreciate the assistance and courtesies extended to us by your staff during our fieldwork.

Please let us know if you would like to discuss our comments and recommendations.

Very truly yours,

WEST & COMPANY CPAs PC

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