

CAMBRIDGE CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2026

CAMBRIDGE CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Cambridge Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As noted in Note 1.V. to the financial statements, during the year ended June 30, 2026, the District adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to these matters.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Cambridge Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cambridge Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-18, budgetary comparison information on pages 59-60, schedule of changes in total OPEB liability on page 62, schedules of proportionate share of net pension (liability) asset on page 63 and schedules of district contributions on page 64 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 Cambridge Central School District's basic financial statements. The supplementary information on pages 65-67 is presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mengel, Metzger, Bar & Co. LLP

Latham, NY
September 29, 2026

**Cambridge Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2026**

The following is a discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2026. This section is a summary of the District's financial activities based on currently known facts, decisions, and/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 District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains supplemental schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. All the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The *Statement of Net Position* presents information on all of the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

The *governmental* activities of the District include instruction, pupil transportation, food service, general support, employee benefits, capital outlay, depreciation and amortization, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

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

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains four individual governmental funds: General Fund, Special Aid Fund, School Lunch Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Aid Fund, School Lunch Fund and the Capital Projects Fund which are all reported as major funds. Additionally, for each major fund, a detailed analysis of the financial position (fund balance or net position) and results of operations are also provided within the MDA.

The District adopts, and voters approve an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund within the required supplementary information to demonstrate compliance with the budget.

Fiduciary funds are used to account for assets held by the District in an agency capacity which accounts for assets held by the District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the District's programs. The District's fiduciary funds include Private Purpose Trust and Custodial Funds.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

<u>Major Feature of the Government-Wide and Fund Financial Statements</u>			
	Government-Wide Statements	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education, scholarship programs, and building maintenance	Instances in which the District administers resources on behalf of someone else, such as student activities monies
Required financial statements	Statement of Net Position	Balance Sheet	Statement of Fiduciary Net Position
	Statement of Activities	Statement of Revenues, Expenditures, and Changes in Fund Balance	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/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, 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 year, regardless of when the 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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Financial Summary and Detailed Analysis

Net Position

	Governmental Activities		Total Variance	Percent Variance
<u>ASSETS:</u>	<u>2026</u>	<u>2025</u>		
Current and Other Assets	\$ 10,769,200	\$ 16,248,331	\$ (5,479,131)	-33.72%
Net Pension Asset	2,304,179	1,255,360	1,048,819	83.55%
Capital and Lease Assets	23,096,727	15,252,785	7,843,942	51.43%
Total Assets	\$ 36,170,106	\$ 32,756,476	\$ 3,413,630	10.42%
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>				
Deferred Outflows of Resources	\$ 14,775,732	\$ 16,785,078	\$ (2,009,346)	-11.97%
<u>LIABILITIES:</u>				
Long-Term Debt Obligations	\$ 88,728,835	90,964,667	\$ (2,235,832)	-2.46%
Other Liabilities	2,432,593	11,907,211	(9,474,618)	-79.57%
Total Liabilities	\$ 91,161,428	\$ 102,871,878	\$ (11,710,450)	-11.38%
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred Inflows of Resources	\$ 20,186,166	\$ 11,621,846	\$ 8,564,320	73.69%
<u>NET POSITION:</u>				
Net Investment in Capital Assets	\$ (1,335,947)	\$ (2,941,084)	\$ 1,605,137	-54.58%
Restricted	6,572,097	2,946,445	3,625,652	123.05%
Unrestricted	(65,637,906)	(64,957,531)	(680,375)	1.05%
Total Net Position	\$ (60,401,756)	\$ (64,952,170)	\$ 4,550,414	-7.01%

Key Variances:

- Current and Other Assets decreased \$5,479,131 as a result of the capital projects fund issuing a BAN near the end of fiscal year 2025, resulting in additional cash. The BAN was paid off and converted to a bond at the end of fiscal year 2026 causing the decrease in current and other assets.

- Capital and leases assets increased \$7,843,942 as a result of capitalizing the costs incurred as part of the 2025 capital project.
- Deferred Outflows of Resources decreased \$2,009,346 as a result of differences between expected and actual experiences for the OPEB plan.
- Other liabilities decreased \$9,474,618 as a result of not renewing the BAN from fiscal year 2025.
- Deferred Inflows of Resources increased \$8,564,320 as a result of changes in assumptions increasing with the OPEB plan.

The District's financial position is the product of many factors.

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

Restricted net position of \$6,572,097 is restricted for use on specific items. The remaining balance of unrestricted net position was a deficit of \$(65,637,906) primarily a result of post-employment benefits related to retiree health care obligations for which the District cannot legally fund.

Changes in Net Position

	<u>Governmental Activities</u>		<u>Total</u> <u>Variance</u>	<u>Percent</u> <u>Variance</u>
	<u>2026</u>	<u>2025</u>		
<u>REVENUES:</u>				
<u>Program -</u>				
Charges for Service	\$ 122,032	\$ 188,662	\$ (66,630)	-35.32%
Operating Grants & Contributions	1,472,697	1,799,746	(327,049)	-18.17%
Capital Grants & Contributions	131,363	-	131,363	100.00%
Total Program	<u>\$ 1,726,092</u>	<u>\$ 1,988,408</u>	<u>\$ (262,316)</u>	<u>-13.19%</u>
<u>General -</u>				
Property Taxes	\$ 10,161,435	\$ 9,851,879	\$ 309,556	3.14%
State and Federal Aid	14,630,163	14,376,646	253,517	1.76%
Investment Earnings	526,558	292,897	233,661	79.78%
Compensation for Loss	(6,616)	61,465	(68,081)	-110.76%
Miscellaneous	419,576	382,356	37,220	9.73%
Total General	<u>\$ 25,731,116</u>	<u>\$ 24,965,243</u>	<u>\$ 765,873</u>	<u>3.07%</u>
TOTAL REVENUES	<u>\$ 27,457,208</u>	<u>\$ 26,953,651</u>	<u>\$ 503,557</u>	<u>1.87%</u>
<u>EXPENSES:</u>				
General Support	\$ 2,593,955	\$ 2,620,755	\$ (26,800)	-1.02%
Instruction	10,873,787	11,443,870	(570,083)	-4.98%
Pupil Transportation	1,384,126	1,320,914	63,212	4.79%
Employee Benefits	5,694,818	11,241,744	(5,546,926)	-49.34%
Depreciation and Amortization	758,124	757,469	655	0.09%
Capital Outlay	33,223	45,554	(12,331)	-27.07%
School Lunch	724,386	762,810	(38,424)	-5.04%
Interest	844,375	483,938	360,437	74.48%
TOTAL EXPENSES	<u>\$ 22,906,794</u>	<u>\$ 28,677,054</u>	<u>\$ (5,770,260)</u>	<u>-20.12%</u>
CHANGE IN NET POSITION	<u>\$ 4,550,414</u>	<u>\$ (1,723,403)</u>		
NET POSITION, BEGINNING OF YEAR	<u>(64,952,170)</u>	<u>(63,228,767)</u>		
NET POSITION, END OF YEAR	<u><u>\$ (60,401,756)</u></u>	<u><u>\$ (64,952,170)</u></u>		

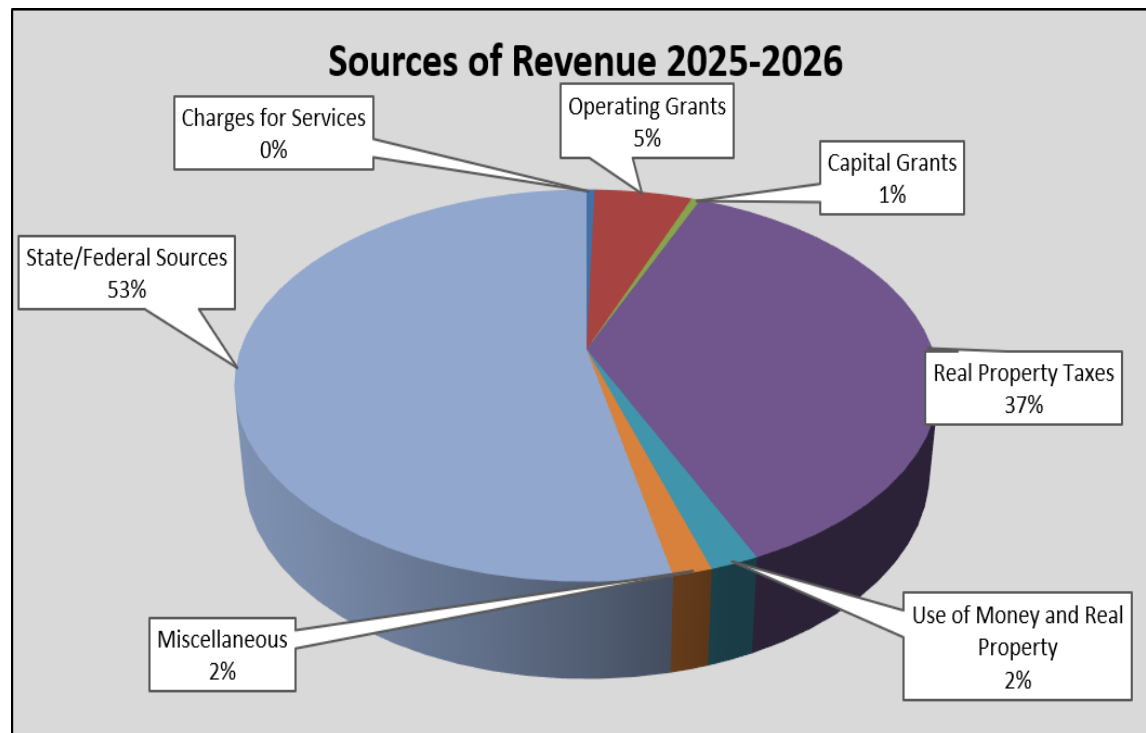
The District's total revenue increased 1.87% to \$27,457,208. State and federal aid 53% and property taxes 37% accounted for most of the District's revenue. The remaining 10% of the revenue comes from operating and capital grants, charges for services, use of money and property, compensation for loss, and miscellaneous revenues.

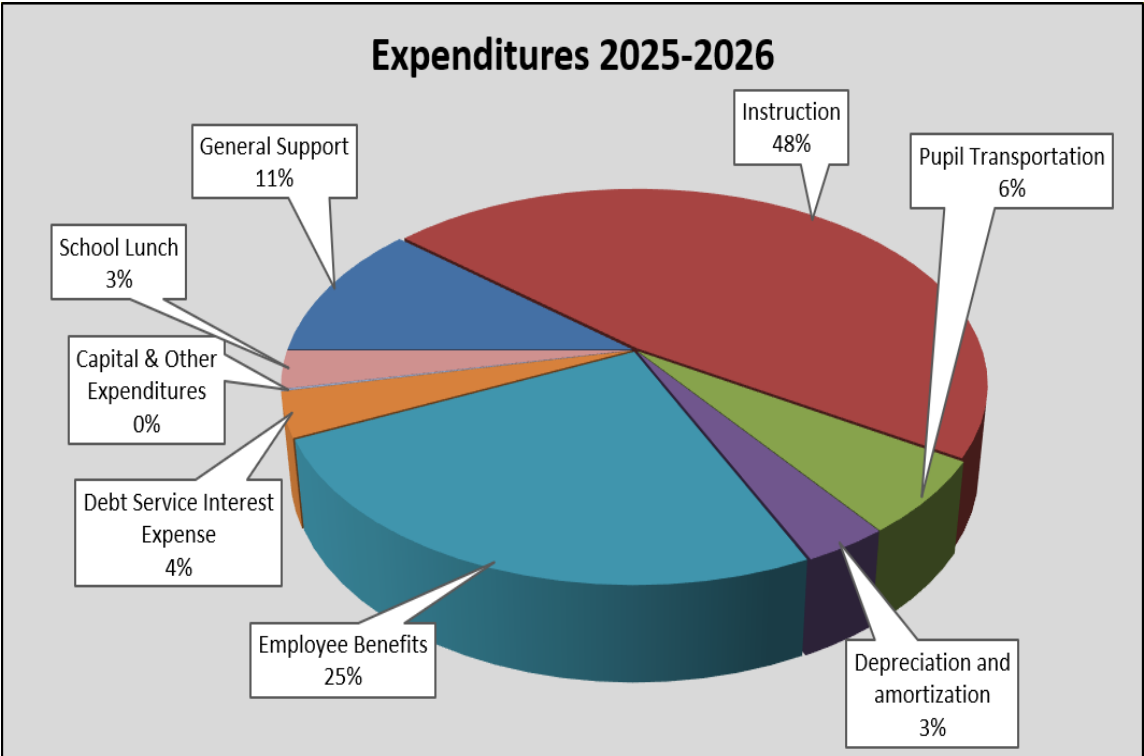
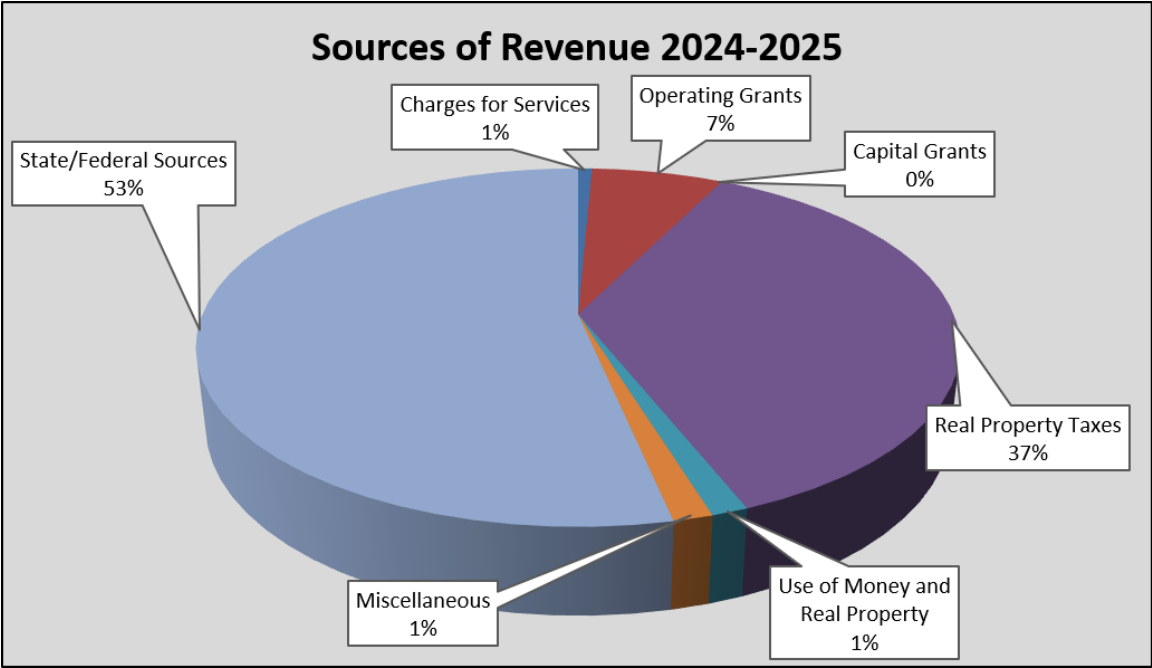
The total cost of all the programs and services decreased 20% to \$22,906,794. The District's expenses are predominately related to education and caring for the students (instruction) 48%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 11% of the total costs and employee benefits accounted for 24% of the total costs.

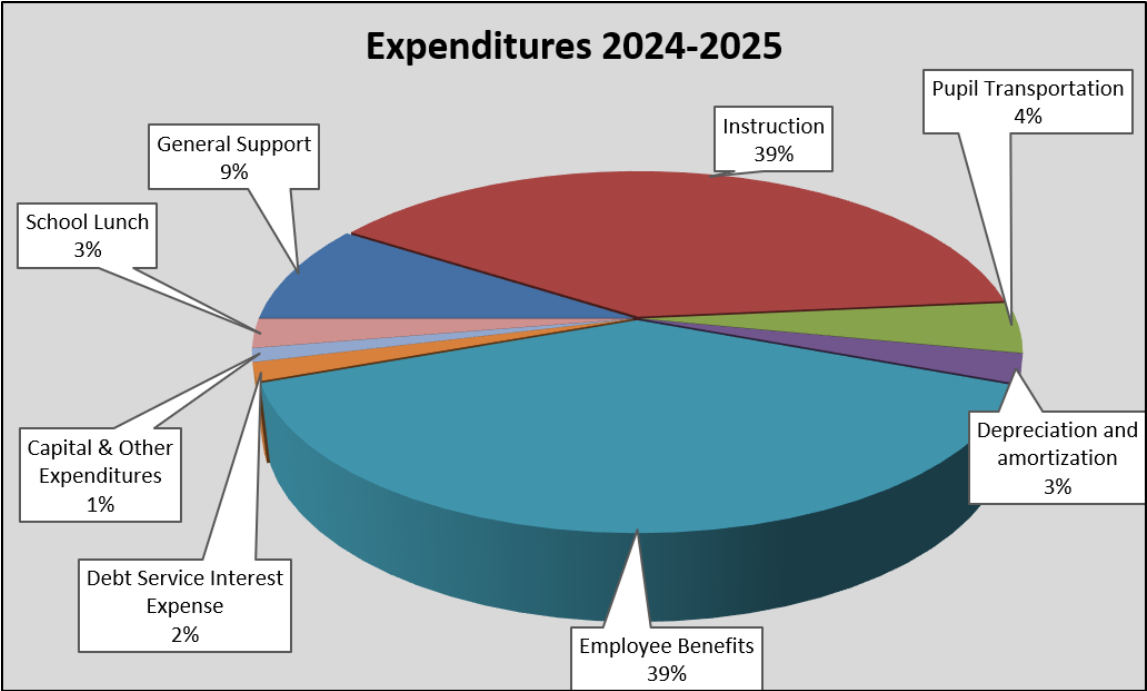
The overall change in net position increased \$4,550,414 which is \$6,273,817 higher than the prior year change in net position. The most significant impact was the capitalization of purchases which increased net position by approximately \$8.6 million, followed by the change in the net OPEB liability which increased net position by \$420,991 in the current year and reduced net position in the prior year by approximately \$4.7 million.

Key Variances:

- Operating Grants & Contributions decreased \$327,049 as a result of the stimulus funds ending.
- Property taxes increased \$309,556 as a result of an increase in the tax levy.
- Instruction decreased \$570,083 as a result of several teacher layoffs.
- Employee benefits decreased \$5,546,926 as a result of the net change in the OPEB obligation.
- Interest increased \$360,437 as a result of BAN interest.







Fund Financial Statements

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$8,369,522 which is more than last year's ending fund balance of \$4,003,797.

General Fund

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$6,923,383. See table below:

<u>General Fund:</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Percent Variance</u>
Total Revenues	\$ 25,713,648	\$ 24,905,546	\$ 808,102	3.24%
Total Expenditures	23,916,034	24,506,936	(590,902)	-2.41%
Other Financing Sources/Uses				
Transfers-In	259,794	4,621	255,173	5522.03%
Proceeds and Premiums from Obligations	3,505	26,285	(22,780)	-86.67%
Transfers-Out	(313,251)	(809,047)	495,796	-61.28%
Change in Fund Balance	<u>\$ 1,747,662</u>	<u>\$ (379,531)</u>	<u>\$ 2,127,193</u>	<u>-560.48%</u>
<u>General Fund Balances:</u>				
Restricted	\$ 5,147,511	\$ 2,938,347	\$ 2,209,164	75.18%
Assigned	563,440	1,074,722	(511,282)	-47.57%
Unassigned	1,212,432	1,162,652	49,780	4.28%
Total General Fund Balances	<u>\$ 6,923,383</u>	<u>\$ 5,175,721</u>	<u>\$ 1,747,662</u>	<u>33.77%</u>

The total change in fund balance for the year was an increase of \$1,747,662 which was primarily a result of an increase in the tax levy and state aid as well as reduction in the transfer of monies from the general fund to the capital projects fund for the approved use of the capital project reserve in the prior year. The District also had individuals who retired or left that were not replaced resulting in cost savings.

The largest component of fund balance relates to the restricted reserves, 36% relate to the capital reserves, 15% to the employee benefit accrued liability reserve and 37% relate to the ERS and TRS reserve. A detail of the restricted reserves can be found starting on page 32 in the footnotes to the financial statements. Total unassigned fund balance is over the 4% requirement of Section 1318 of the Real Property Tax Law by an insignificant amount.

The District appropriated the following funds to support the budget:

Appropriated Fund Balance	<u>\$ 1,000,000</u>
Appropriated Reserves:	
Capital Reserve	<u>\$ 225,000</u>
Total Appropriated Reserves	<u>\$ 225,000</u>

As indicated above, the District appropriated \$1,225,000 in reserve and fund balance funds to support the 2025-2026 budget which represents 4% of the 2025-2026 budget and is \$199,959 more than the prior year.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the acquisition or construction of capital facilities and other capital assets, such as equipment. A Capital Projects Fund must be used if the acquisition or construction is financed in whole or in part from the proceeds of obligations, but may include funding from Federal, State and local sources. At the end of the current year, the total fund balance of the Capital Projects Fund was \$1,424,586 and a summary of the projects can be found on the supplemental schedule of capital project expenditures in the financial statements.

The \$11,280,000 revitalization project (2025) approved by the voters December 12, 2023 is the largest component of the Capital Projects Fund. This project was funded with \$625,000 from the District's capital reserve fund and can issue up to \$10,655,000 in debt. Fund balance for the Capital Projects Fund increased by \$2,292,347 compared with the prior year, as the project was bonded in the 2025/2026 year. See table below:

<u>Capital Projects Fund:</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Percent Variance</u>
Total Revenues	\$ 131,363	\$ -	\$ 131,363	100.00%
Total Expenditures	8,307,352	1,818,536	6,488,816	356.82%
Other Financing Sources/Uses				
Transfers-In	225,000	725,000	(500,000)	-68.97%
Proceeds and Premiums from Obligations	10,503,130	225,775	10,277,355	4552.03%
Transfers-Out	(259,794)	(4,621)	(255,173)	5522.03%
Change in Fund Balance	<u>\$ 2,292,347</u>	<u>\$ (872,382)</u>	<u>\$ 3,164,729</u>	<u>-362.77%</u>
<u>Capital Projects Fund Balance:</u>				
Restricted	\$ 1,424,586	\$ -	\$ 1,424,586	100.00%
Unassigned	-	(867,761)	867,761	-100.00%
Total Capital Projects Fund Balance	<u>\$ 1,424,586</u>	<u>\$ (867,761)</u>	<u>\$ 2,292,347</u>	<u>-264.17%</u>

The Capital Project Fund received a transfer from the General Fund capital reserve to fund the local share of the Project 2025 and Bus Purchases in the 2025/2026 fiscal year. The District incurred costs related to the \$11.28 million Project. Total financing other sources increased compared to 2025 when the District converted short term BANs to long term debt and received a premium on the obligation issued to fund the \$11.28 million Project. As a result of these transactions, overall fund balance also increased from the prior year. The District expects to complete Phase one of the \$11.28 million renovation project in October 2026.

School Lunch Fund

School Food Service Programs (Lunch) Fund is a Special Revenue Fund used to account for and report transactions of the district breakfast, lunch and milk programs. The District is a Community Eligible Program (CEP), whereby all students are eligible to receive a free lunch, funded by Federal and State grants.

<u>School Lunch Fund:</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Percent Variance</u>
Total Revenues	\$ 661,272	\$ 730,640	\$ (69,368)	-9.49%
Total Expenditures	732,484	798,077	(65,593)	-8.22%
Other Financing Sources/Uses				
Transfers-In	35,000	35,000	-	0.00%
Change in Fund Balance	\$ (36,212)	\$ (32,437)	\$ (3,775)	11.64%

<u>School Lunch Fund Balance:</u>				
Nonspendable	\$ 15,359	\$ 16,457	\$ (1,098)	-6.67%
Restricted	-	8,098	(8,098)	-100.00%
Assigned	6,194	33,210	(27,016)	-81.35%
Total School Lunch Fund Balance	\$ 21,553	\$ 57,765	\$ (36,212)	-62.69%

The School Lunch Fund received a budgeted transfer from the General Fund of \$35,000 to subsidize operations. Total revenues and expenditures decreased due to the Action for Healthy Kids Grant ending 7/31/25 and reduction in catering requests. Additionally, there was a decrease in the amount of substitute costs and a reduction in FTE status from full time to part time for certain individuals. At June 30, 2026, total fund balance in the School Lunch Fund was \$21,553, which is within Federal and State guidelines for Child Nutrition Programs.

Special Aid Fund

Special Aid Fund is a Special Revenue Fund used to account for and report special projects or programs supported in whole or in part by Federal funds or State-funded grants.

<u>Special Aid Fund:</u>	<u>2026</u>	<u>2025</u>	<u>Total Variance</u>	<u>Percent Variance</u>
Total Revenues	\$ 880,416	\$ 1,143,305	\$ (262,889)	-22.99%
Total Expenditures	933,667	1,192,352	(258,685)	-21.70%
Other Financing Sources/Uses				
Transfers-In	53,251	49,047	4,204	8.57%
Change in Fund Balance	\$ -	\$ -	\$ -	0.00%
<u>Special Aid Fund Balance:</u>				
Total Special Aid Fund Balance	\$ -	\$ -	\$ -	0.00%

The Special Aid Fund received a budgeted transfer from the General Fund of \$53,251 for the local share of approved grants. The decrease in revenue and expenditure is largely due to the ending of COVID era funding. At June 30, 2026, there was no Fund Balance in the Special Aid Fund as all of the Districts' grants reported in this fund are reimbursement-based.

Significant Capital Asset and Long-Term Financing Activity

Significant Capital and Lease Assets

Capital assets are accounted for at historical (actual) cost or, if the cost is not practicably determinable, at estimated cost. The cost of the capital asset should include ancillary charges necessary to place the asset into use. Donated capital assets and capital assets acquired in a service concession arrangement should be recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date, or the amount at which a liability could be liquidated

with the counter party at the acquisition. Lease assets (Leases) are valued at the present value of future minimum lease payments. By the end of the 2026 fiscal year, the District had invested \$23,096,727 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets and leased assets, net of accumulated depreciation (capital assets) and amortization (leased assets), is reflected below:

	<u>2026</u>	<u>2025</u>	<u>Variance</u>	<u>Percent Variance</u>
<u>Capital Assets:</u>				
Land	\$ 42,786	\$ 42,786	\$ -	0.00%
Work in Progress	9,214,699	1,571,001	7,643,698	486.55%
Buildings and Improvements	11,577,802	11,812,308	(234,506)	-1.99%
Machinery and Equipment	1,867,640	1,149,046	718,594	62.54%
Total Capital Assets	<u>\$ 22,702,927</u>	<u>\$ 14,575,141</u>	<u>\$ 8,127,786</u>	<u>55.76%</u>
<u>Lease Assets:</u>				
Equipment	\$ 393,800	\$ 677,644	\$ (283,844)	-41.89%
Grand Total	<u><u>\$ 23,096,727</u></u>	<u><u>\$ 15,252,785</u></u>	<u><u>\$ 7,843,942</u></u>	<u><u>51.43%</u></u>

As indicated above the work in progress related to the new \$11,280,000 project expenditure. Buildings and improvements decreased \$234,506 as a result of depreciation expense amortized over the life of the assets while machinery and equipment increased \$718,594 related to equipment and vehicle purchases exceeding depreciation expense.

More detailed information can be found in the notes to the financial statements.

Long-Term Financing Activity

At year end, the District had \$88,728,835 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2026</u>	<u>2025</u>	<u>Variance</u>	<u>Percent Variance</u>
Serial Bonds	\$ 24,835,000	\$ 16,720,000	\$ 8,115,000	48.53%
Premium	445,940	220,620	225,320	102.13%
Lease Liability	456,613	788,627	(332,014)	-42.10%
Retainage Payable	381,766	32,808	348,958	1063.64%
OPEB	61,177,193	71,295,564	(10,118,371)	-14.19%
Net Pension Liability	335,389	925,226	(589,837)	-63.75%
Compensated Absences	1,096,934	981,822	115,112	11.72%
Total Long-Term Obligations	<u><u>\$ 88,728,835</u></u>	<u><u>\$ 90,964,667</u></u>	<u><u>\$ (2,235,832)</u></u>	<u><u>-2.46%</u></u>

The District paid down debt totaling \$2,360,891 and issued 2026 bonds \$10,240,000 during the year.

The District's OPEB Liability has also decreased by 14.19% or \$10,118,371 as a result of the change in the discount rate used by the actuary from 3.95% to 5.2%. Changes in the pension system NYS ERS, based on their most recent actuarial reports, resulted in an overall decrease of 63.75% or 589,837 to the District's portion of the overall total liability.

More detailed information can be found in the notes to the financial statements.

Currently Known Facts, Decision or Conditions

2026 - 2027 Budgetary Information

On both May 19, 2026, and June 20, 2026, the voters of the District defeated the proposed 2026-2027 budget and adopted a contingency budget totaling \$26,897,955.

The overall expenditure budget increased 0.067%, while the local tax levy increased 0% which is within the property tax cap.

The contingency budget will result in the reduction of 21 positions through attrition and layoffs. Transportation can only be provided one way to athletic practices, the bus purchase and annual capital outlay project was eliminated, pay for managerial confidential employees was frozen as well as a voluntary pay freeze for superintendent, business official and administrators' association. Bus runs will be consolidated or eliminated in some instances and the District has implemented a facility rental cost for all community groups and organizations.

The District's Foundation Aid increased by \$190,948. In a typical year, an increase of this amount would fall well short of covering expected increases in employee benefits and contractual salary obligations. It was sufficient to help meet those obligations this year only because the District reduced its budget to comply with contingency requirements, including the elimination of 21 positions. Reductions of this magnitude cannot be repeated annually. As benefit and salary costs continue to rise, the District remains uncertain whether future revenue growth will be sufficient to support its ongoing obligations.

The state has fulfilled their obligation to fully fund state aid and has updated some factors in the Foundation Aid as a result of the Foundation Aid study. It is unknown how state aid will be calculated in future years. The District continues to be subject to the "Tax Cap" formula which limits the amount that taxes can increase each year which is limited by the Consumer Price Index or 2%, whichever is lower. Expenses will continue to increase due to contractual wage increases, state required minimum wage increases, health insurance premium increases, along with anticipated rate increases for the employer contribution to the Employees' Retirement System and the Teachers Retirement System.

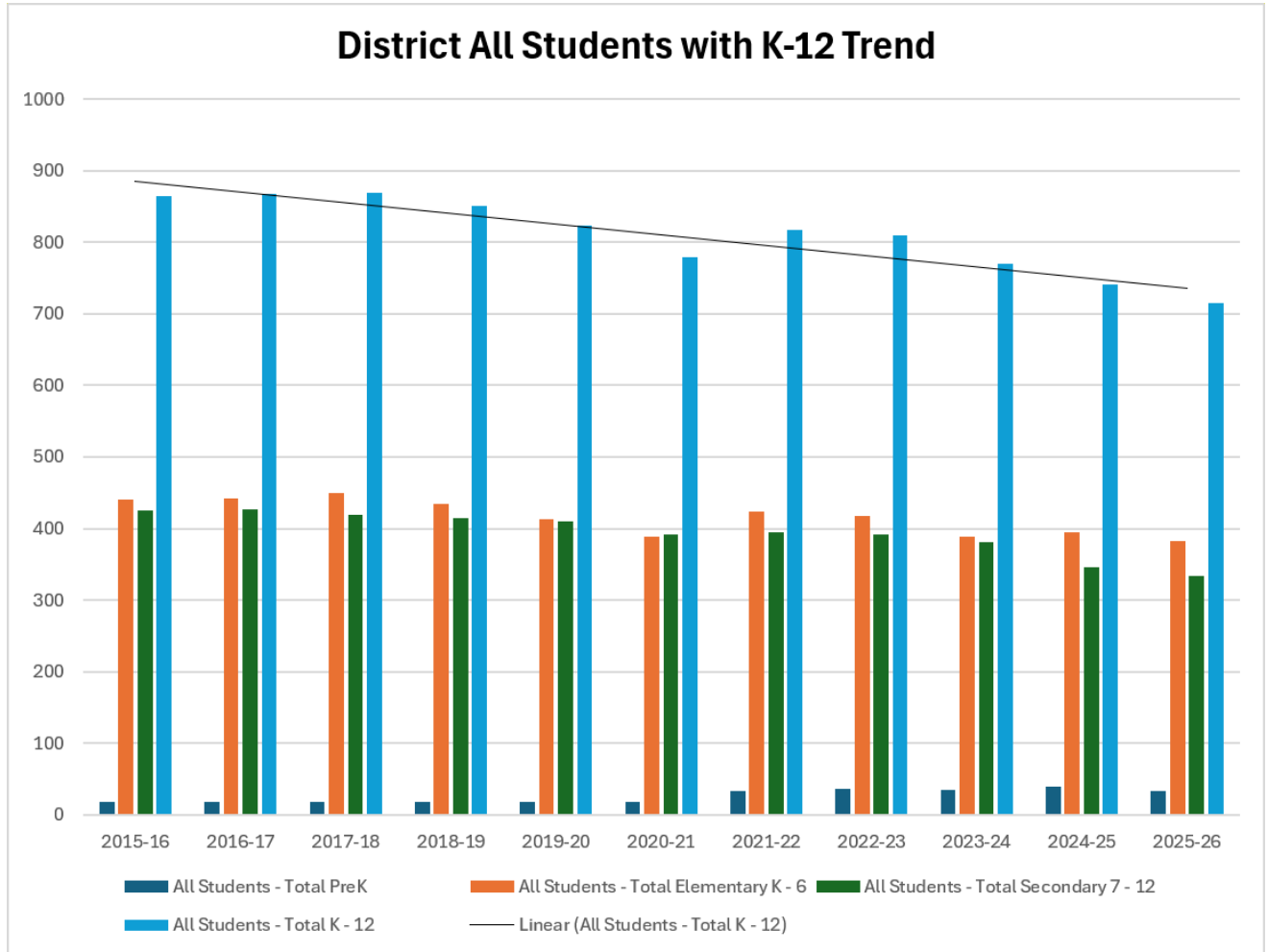
In addition, there were two separate proposals in the budget relating to gas/diesel buses, and a new capital bus reserve fund with a funding cap of \$250,000.

The District is supporting the budget with \$517,853 in fund balance and anticipate ending the 2026-27 fiscal year within the 4% unappropriated fund balance cap.

Enrollment Information

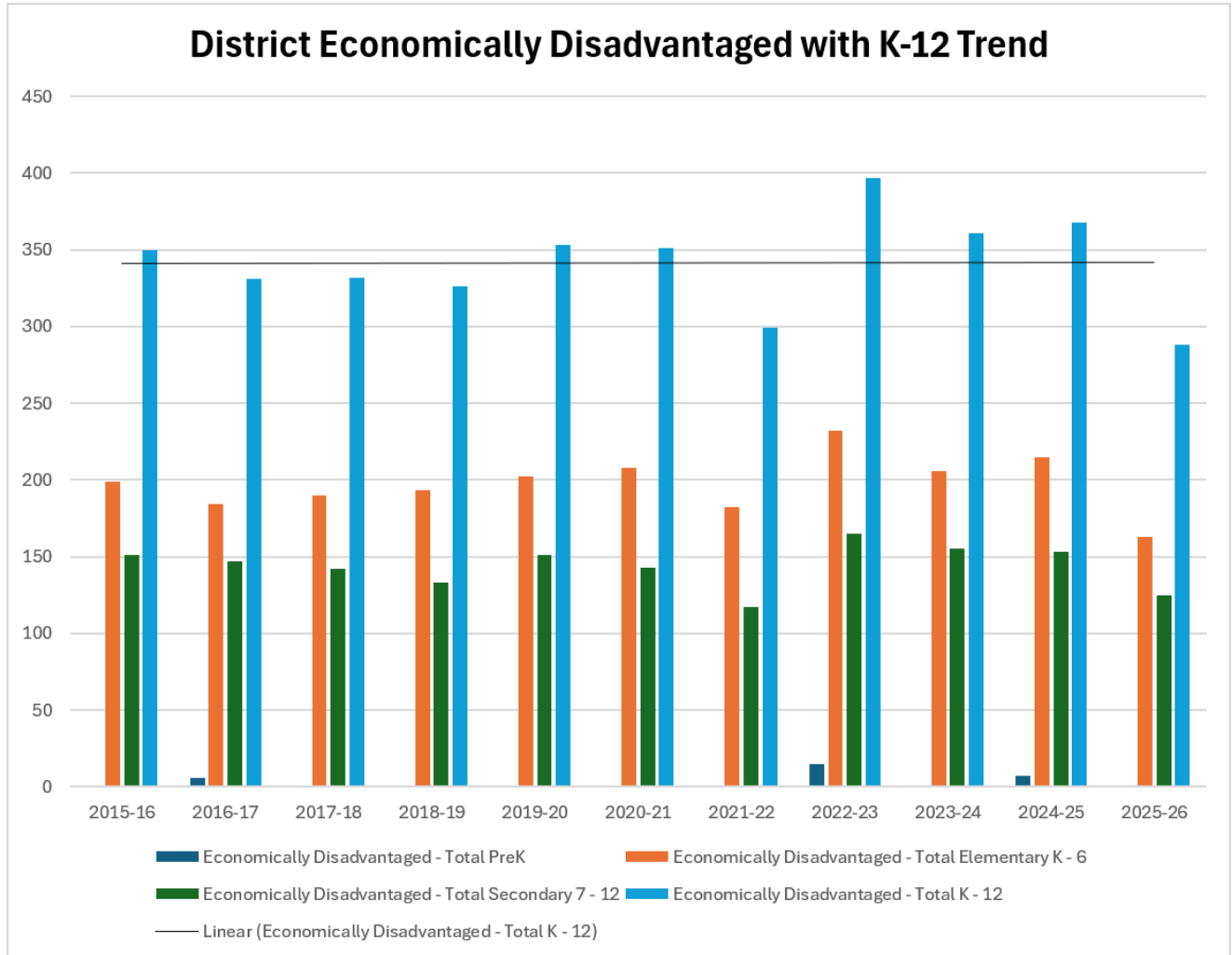
The school district enrollment also impacts the budget process. The following graphs highlight some of the key District trends:

Overall District Enrollment Trend 2015-16 to 2025-26



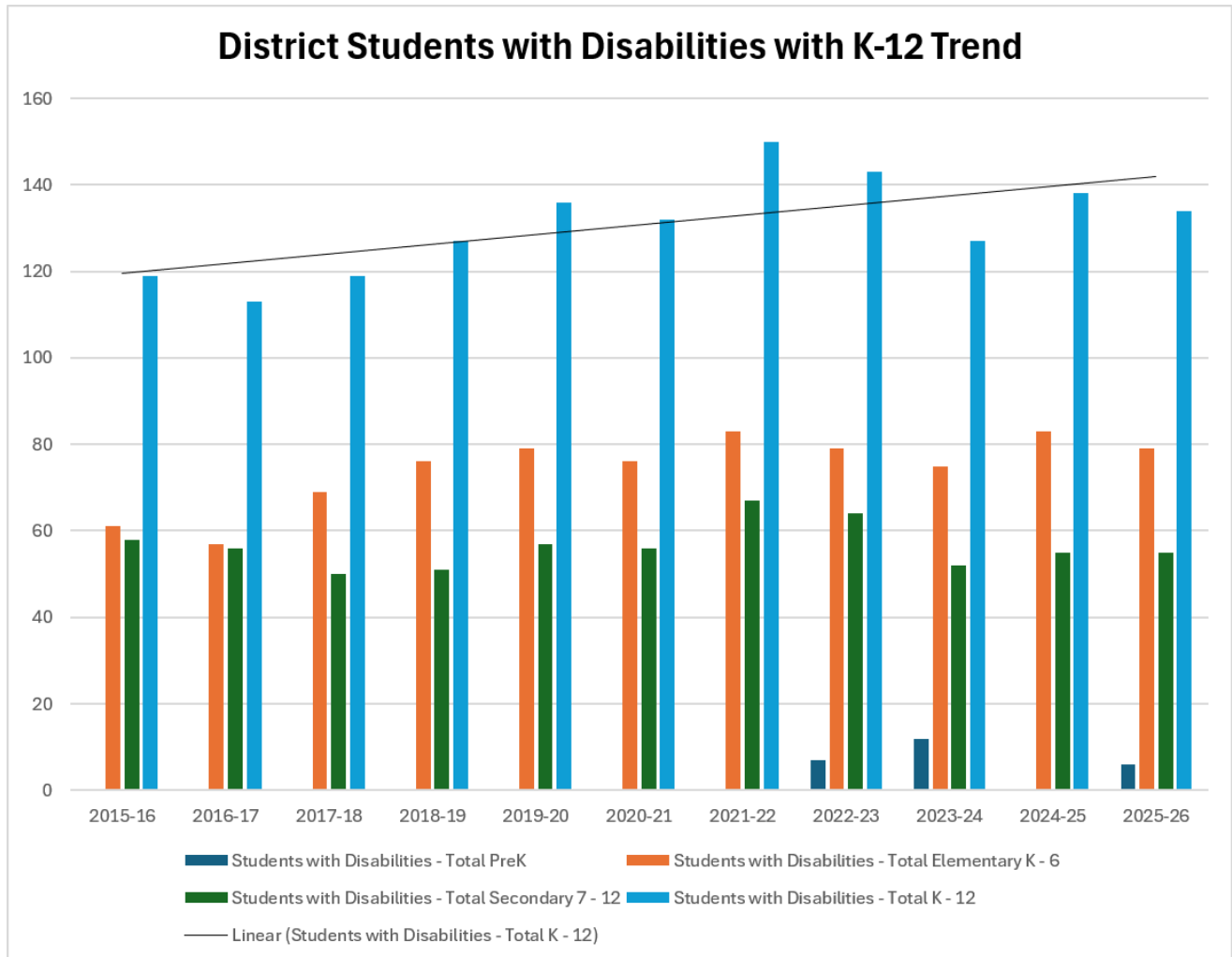
The District has experienced a decrease in K-12 student enrollment by 150 students from 2015-16 to 2025-26 or 18.44% in grades K-12 (average decrease of 15 students per year or 1.84% per year).

District Economically Disadvantaged Enrollment Trend 2015-16 to 2025-26



The District has experienced an decrease in economically disadvantaged student enrollment by 62 students from 2015-16 to 2025-26 or 10.13% in grades K-12 (average decrease of 6.2 students per year or 1.01% per year).

District Students with Disabilities Enrollment Trends 2015-16 to 2025-26



The District has experienced an increase in student with disabilities student enrollment by 15 students from 2015-16 to 2025-26 or 14.68% in grades K-12 (average increase of 1.5 students per year or 1.47% per year).

Contacting the School District's Financial Management

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

Business Office, Cambridge Central School District
58 South Park Street
Cambridge, New York, 12816. 518-677-2653.

CAMBRIDGE CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2026

ASSETS

Cash and cash equivalents	\$ 1,591,753
Restricted cash and cash equivalents	3,519,617
Investments	24,166
Restricted investments	4,366,987
Accounts receivable	1,251,318
Inventories	15,359
Net pension asset	2,304,179
Capital assets, net	22,702,927
Lease assets, net	393,800
TOTAL ASSETS	\$ 36,170,106

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources	\$ 14,775,732
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LIABILITIES

Accounts payable	\$ 867,592
Accrued liabilities	118,683
Refundable advances	6,570
Due to other governments	117
Due to teachers' retirement system	758,455
Due to employees' retirement system	132,584
Bond anticipation notes payable	526,224
Other liabilities	22,368
Long-Term Obligations:	
Due in one year	3,334,107
Due in more than one year	85,394,728
TOTAL LIABILITIES	\$ 91,161,428

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	\$ 20,186,166
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NET POSITION

Net investment in capital and lease assets	\$ (1,335,947)
Restricted	6,572,097
Unrestricted	(65,637,906)
TOTAL NET POSITION	\$ (60,401,756)

CAMBRIDGE CENTRAL SCHOOL DISTRICT

Statement of Activities

For The Year Ended June 30, 2026

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
General support	\$ 2,593,955	\$ 2,250	\$ -	\$ -	\$ (2,591,705)
Instruction	10,873,787	51,682	880,416	-	(9,941,689)
Pupil transportation	1,384,126	-	-	-	(1,384,126)
School lunch	724,386	68,100	592,281	-	(64,005)
Employee benefits	5,694,818	-	-	-	(5,694,818)
Depreciation	474,280	-	-	-	(474,280)
Amortization	283,844	-	-	-	(283,844)
Capital outlay	33,223	-	-	131,363	98,140
Interest	844,375	-	-	-	(844,375)
Total Functions/Programs	\$ 22,906,794	\$ 122,032	\$ 1,472,697	\$ 131,363	\$ (21,180,702)

General Revenues:

Property taxes and other tax items	\$ 10,161,435
State and federal aid	14,630,163
Investment earnings	526,558
Compensation for loss	(6,616)
Miscellaneous	419,576
Total General Revenues	\$ 25,731,116
Changes in Net Position	\$ 4,550,414
Net Position, Beginning of Year	(64,952,170)
Net Position, End of Year	\$ (60,401,756)

CAMBRIDGE CENTRAL SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2026

	General Fund	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,580,610	\$ 12,196	\$ (1,053)	\$ -	\$ 1,591,753
Restricted cash and cash equivalents	780,524	-	-	2,739,093	3,519,617
Investments	-	-	24,166	-	24,166
Restricted investments	4,366,987	-	-	-	4,366,987
Receivables	965,667	197,494	72,744	15,413	1,251,318
Inventories	-	-	15,359	-	15,359
Due from other funds	319,026	-	-	-	319,026
TOTAL ASSETS	\$ 8,012,814	\$ 209,690	\$ 111,216	\$ 2,754,506	\$ 11,088,226
LIABILITIES AND FUND BALANCE (DEFICIENCY)					
Liabilities -					
Accounts payable	\$ 92,036	\$ -	\$ -	\$ 775,556	\$ 867,592
Accrued liabilities	83,988	166	1,614	-	85,768
Notes payable - bond anticipation notes	-	-	-	526,224	526,224
Due to other funds	-	209,524	81,362	28,140	319,026
Due to other governments	-	-	117	-	117
Due to TRS	758,455	-	-	-	758,455
Due to ERS	132,584	-	-	-	132,584
Other liabilities	22,368	-	-	-	22,368
Refundable advances	-	-	6,570	-	6,570
TOTAL LIABILITIES	\$ 1,089,431	\$ 209,690	\$ 89,663	\$ 1,329,920	\$ 2,718,704
Fund Balance (Deficiency) -					
Nonspendable	\$ -	\$ -	\$ 15,359	\$ -	\$ 15,359
Restricted	5,147,511	-	-	1,424,586	6,572,097
Assigned	563,440	-	6,194	-	569,634
Unassigned	1,212,432	-	-	-	1,212,432
TOTAL FUND BALANCE (DEFICIENCY)	\$ 6,923,383	\$ -	\$ 21,553	\$ 1,424,586	\$ 8,369,522
TOTAL LIABILITIES AND FUND BALANCE (DEFICIENCY)	\$ 8,012,814	\$ 209,690	\$ 111,216	\$ 2,754,506	

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

Capital assets/lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	23,096,727
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(32,915)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(24,835,000)
Leases liabilities	(456,613)
Retainage	(381,766)
OPEB	(61,177,193)
Compensated absences	(1,096,934)
Unamortized premium	(445,940)
Net pension asset	2,304,179
Deferred outflow - pension	3,477,067
Deferred outflow - OPEB	11,298,665
Net pension liability	(335,389)
Deferred inflow - pension	(2,518,315)
Deferred inflow - OPEB	(17,667,851)
Net Position of Governmental Activities	\$ (60,401,756)

CAMBRIDGE CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For The Year Ended June 30, 2026

	General	Special	School	Capital	Total
	<u>Fund</u>	<u>Aid</u>	<u>Lunch</u>	<u>Projects</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
REVENUES					
Real property taxes and tax items	\$ 10,161,435	\$ -	\$ -	\$ -	\$ 10,161,435
Charges for services	53,932	-	-	-	53,932
Use of money and property	525,667	-	891	-	526,558
Sale of property and compensation for loss	22,504	-	-	-	22,504
Miscellaneous	319,947	-	10,802	-	330,749
State sources	14,442,865	428,612	177,308	131,363	15,180,148
Federal sources	187,298	451,804	414,973	-	1,054,075
Sales	-	-	57,298	-	57,298
TOTAL REVENUES	<u>\$ 25,713,648</u>	<u>\$ 880,416</u>	<u>\$ 661,272</u>	<u>\$ 131,363</u>	<u>\$ 27,386,699</u>
EXPENDITURES					
General support	\$ 2,593,955	\$ -	\$ -	\$ -	\$ 2,593,955
Instruction	10,123,108	741,489	-	-	10,864,597
Pupil transportation	1,331,366	52,760	-	651,224	2,035,350
Employee benefits	6,632,839	139,418	164,522	-	6,936,779
Debt service - principal	2,360,891	-	-	-	2,360,891
Debt service - interest	873,875	-	-	-	873,875
Cost of sales	-	-	567,962	-	567,962
Capital outlay	-	-	-	7,656,128	7,656,128
TOTAL EXPENDITURES	<u>\$ 23,916,034</u>	<u>\$ 933,667</u>	<u>\$ 732,484</u>	<u>\$ 8,307,352</u>	<u>\$ 33,889,537</u>
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	<u>\$ 1,797,614</u>	<u>\$ (53,251)</u>	<u>\$ (71,212)</u>	<u>\$ (8,175,989)</u>	<u>\$ (6,502,838)</u>
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 259,794	\$ 53,251	\$ 35,000	\$ 225,000	\$ 573,045
Transfers - out	(313,251)	-	-	(259,794)	(573,045)
Proceeds from obligations	-	-	-	10,240,000	10,240,000
Premium on obligations issued	3,505	-	-	263,130	266,635
TOTAL OTHER FINANCING					
SOURCES (USES)	<u>\$ (49,952)</u>	<u>\$ 53,251</u>	<u>\$ 35,000</u>	<u>\$ 10,468,336</u>	<u>\$ 10,506,635</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,747,662</u>	<u>\$ -</u>	<u>\$ (36,212)</u>	<u>\$ 2,292,347</u>	<u>\$ 4,003,797</u>
FUND BALANCE, BEGINNING					
OF YEAR	<u>5,175,721</u>	<u>-</u>	<u>57,765</u>	<u>(867,761)</u>	<u>4,365,725</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 6,923,383</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,553</u></u>	<u><u>\$ 1,424,586</u></u>	<u><u>\$ 8,369,522</u></u>

See accompanying notes to financial statements.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Balance of the Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2026

NET CHANGE IN FUND BALANCE -
TOTAL GOVERNMENTAL FUNDS **\$ 4,003,797**

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

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

Capital Outlay	\$ 8,631,186	
Gain/loss on capital asset sale	(29,120)	
Depreciation and Amortization	<u>(758,124)</u>	
		7,843,942

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

Debt and Lease Repayments	\$ 2,028,877	
Proceeds from Obligations	(10,240,000)	
Proceeds from reduction of lease liability	96,123	
Lease Payments	332,014	
Premium on Debt	<u>(263,130)</u>	
		(8,046,116)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (8,310)

The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds (348,958)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 420,991

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

Teachers' Retirement System		798,572
Employees' Retirement System		(36,202)

Portion of deferred (inflow) / outflow recognized in long term debt 37,810

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

Compensated Absences		<u>(115,112)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 4,550,414**

See accompanying notes to financial statements.

CAMBRIDGE CENTRAL SCHOOL DISTRICT**Statement of Fiduciary Net Position****June 30, 2026**

	Private Purpose <u>Trust</u>	Custodial <u>Funds</u>
ASSETS		
Restricted cash	\$ 6,297	\$ 148,087
TOTAL ASSETS	\$ 6,297	\$ 148,087
NET POSITION		
Restricted for individuals, organizations and other governments	\$ 6,297	\$ 148,087
TOTAL NET POSITION	\$ 6,297	\$ 148,087

Statement of Changes in Fiduciary Net Position**For The Year Ended June 30, 2026**

	Private Purpose <u>Trust</u>	Custodial <u>Funds</u>
ADDITIONS		
Tax collections for other governments	\$ -	\$ 75,000
Student activity	-	114,403
Investment earnings	4	-
TOTAL ADDITIONS	\$ 4	\$ 189,403
DEDUCTIONS		
Student activity	\$ -	\$ 121,482
Payments of taxes to other governments	-	75,000
Scholarships	500	-
TOTAL DEDUCTIONS	\$ 500	\$ 196,482
CHANGE IN NET POSITION	\$ (496)	\$ (7,079)
NET POSITION, BEGINNING OF YEAR	6,793	155,166
NET POSITION, END OF YEAR	\$ 6,297	\$ 148,087

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

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

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

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

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 in the District's business offices. The District accounts for assets held as an agent for various student organizations in a custodial fund.

B. Joint Venture

The District is a component district in Washington Saratoga Warren Hamilton Essex Counties Board of Cooperative Educational Services (BOCES).

A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs 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.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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

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

During the year ended June 30, 2026, the District was billed \$2,678,564 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$786,915 in the General Fund and \$17,757 in the School Lunch Fund. Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis Of Presentation

District-wide statements

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

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

Fund financial statements

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis Of Presentation

I. Governmental Funds

The District reports the following major governmental funds:

General Fund

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

Special Revenue Funds

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

a) Special Aid Fund

Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants, that are legally restricted to expenditures for specific purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed by either governments that provide the funds, or by outside parties.

b) School Lunch

The School Lunch Fund is used to account for child nutrition activities whose funds are restricted as to use.

Capital Projects Funds

These funds are used to account for the report financial resources to be used for the acquisition, construction or renovation, or major repair of capital facilities and equipment or the right-to-use capital facilities and other capital intangible assets.

II. Fiduciary Funds

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

There are two classes of fiduciary funds:

Private purpose trust funds

These funds are used to account for trust arrangements under which principal and income benefits individuals, private organizations or other governments. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fiduciary Funds

Custodial funds

These funds are strictly custodial in nature and do not involve the measurement of results of operations. The funds are used to account for real property taxes collected on behalf of other governments and disbursed to those governments as well as the extraclassroom activity funds.

D. Basis of Accounting/Measurement Focus

General Information

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

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year except for real property taxes, which are considered to be available if collected within 60 days of the fiscal year end.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

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

E. Refundable Advances

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

F. Property taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, 2025 and become a lien on August 14, 2025. Taxes are collected during the period September 1, to October 31.

II. Enforcement

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

G. 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.

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the line-item level.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not located in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The following were supplemental appropriations for June 30, 2026:

From Appropriated Reserves:

Capital Reserve	\$ 125,000
Total Supplemental Appropriations	<u>\$ 125,000</u>

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

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

II. Encumbrances

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

III. Budget Basis of Accounting

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investments 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 deposits not covered by the 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. Certain cash balances are restricted by various legal or contractual obligations, such as legal reserves or debt agreements.

J. Accounts Receivable

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

K. Inventories and prepaid items

Inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value 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 amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

L. Interfund Transfers

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

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.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Interfund Transfers

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 6 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M. Equity Classifications

District-wide statements:

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

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

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

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

Fund Statements:

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

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

	<u>Total</u>
Inventory in School Lunch	\$ 15,359
Total Nonspendable Fund Balance	<u>\$ 15,359</u>

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:

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Workers' Compensation

The purpose of this reserve fund is 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 year end of any year, excess accounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

Unemployment

According to General Municipal Law §6-p, this reserve must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments 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 may be legally appropriated. Within 60 days after the end of the fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Employee Benefit Accrued Liability

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

Capital Reserve

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

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.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Retirement Contributions

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

Restricted fund balance includes the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 142,172
Unemployment	300,000
Retirement Contribution - ERS	1,117,313
Retirement Contribution - TRS	833,685
Tax Certiorari	77,532
Capital Reserves	1,890,316
Employee Benefit Accrued Liability	786,493
<u>Capital Fund -</u>	
Restricted for capital project	1,424,586
Total Restricted Fund Balance	<u><u>\$ 6,572,097</u></u>

The fiduciary funds, specifically the private purpose trust fund, reports \$6,297 as restricted for the purpose of scholarships to individuals, organizations, or other governments that meet specified criteria. The custodial funds report \$148,087 as restricted for the extraclassroom activity fund.

Committed - Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2026.

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.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Assigned fund balance includes the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 45,587
General Fund - Capital project	517,853
School Lunch Fund - Year End Balance	6,194
Total Assigned Fund Balance	<u>\$ 569,634</u>

Encumbrances

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

Purpose of Encumbrances:

General Fund -

General Support	\$ 18,187
Instruction	19,271
Pupil Transportation	8,129
Total General Fund Encumbrances	<u>\$ 45,587</u>

Capital Projects Fund -

Capital Improvements	\$ 1,424,586
Total Capital Fund Significant Encumbrances	<u>\$ 1,424,586</u>

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the 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 a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation, and the District exceeded this limit at June 30, 2026 by \$136,514.

Net Position/Fund Balance

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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

Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance (to the extent appropriated), committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as either assigned fund balance or restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned.

N. Postemployment Benefits

In addition to providing the retirement benefits described in Note 11, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. See Note 12.

O. Capital Assets and Lease Assets

Capital Assets

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

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

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	SL	40 Years
Building Improvements	\$ 5,000	SL	40 Years
Machinery and Equipment	\$ 5,000	SL	5-10 Years

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Capital Assets and Lease Assets

Lease Assets

The District-wide financial statements, lease assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated replacement of the assets.

P. Deferred Outflows and Inflows of Resources

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

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

Q. Short-term Debt

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

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 an insufficient or no provision is 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.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Short-term Debt

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

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

R. Payables, Accrued liabilities and long-term obligations

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

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

S. Explanation Of Certain Differences Between Governmental Fund Statements And District-Wide Statements

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

a. Total fund balance of governmental funds vs. net assets of governmental activities

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

b. Statement of Revenues, Expenditures and Changes in Fund 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. The amounts shown below represent:

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. Explanation Of Certain Differences Between Governmental Fund Statements And District-Wide Statements

Long-Term Revenue and Expense Differences:

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

Capital and Lease Related Differences:

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

Long-Term Debt Transaction Differences:

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

Pension Differences:

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

OPEB Difference:

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

T. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. Estimates

Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other postemployment benefits, net pension asset/liability, deferred inflows/outflows, potential contingent liabilities, and the lives of long-term assets.

U. Employee Benefits - Compensated Absences

District employees 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.

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

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

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

V. Implementation of New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2026, the District implemented the following new standard issued by GASB:

GASB has issued Statement 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026, which had a significant impact on the information required in the management's discussion and analysis and required supplementary information sections of the financial statements.

GASB has issued Statement 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026, which had no significant impact.

GASB has issued Statement 105, *Subsequent Events*, effective for the year ending June 30, 2027, which was early implemented for the year ending June 30, 2026 and had no significant impact.

W. Future Changes in Accounting Standards

There are currently no future standards as of the date of these financial statements. However, as new standards are issued, the District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. *Unassigned Fund Balance*

The District's unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

3. CASH - CUSTODIAL, CREDIT, CONCENTRATION OF CREDIT AND INTEREST RATE RISKS

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agents in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2026, all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

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

Interest Rate Risk

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

Credit Risk

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

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities

Custodial Credit Risk

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

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

3. CASH - CUSTODIAL, CREDIT, CONCENTRATION OF CREDIT AND INTEREST RATE RISKS

Custodial Credit Risk

- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

Restricted Cash and Investments

Restricted cash and investments 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 at June 30, 2026 consists of the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 142,172
Unemployment	300,000
Retirement Contribution - ERS	1,117,313
Retirement Contribution - TRS	833,685
Tax Certiorari	77,532
Capital Reserves	1,890,316
Employee Benefit Accrued Liability	786,493
<u>Capital Projects Fund -</u>	
Voter approved projects	2,739,093
<u>Private Purchase Trust</u>	
Scholarships	6,297
<u>Custodial Funds</u>	
Extraclassroom Activity Fund	148,087
Total Restricted Cash and Investments	<u><u>\$ 8,040,988</u></u>

4. INVESTMENTS/INVESTMENT POOLS

Investments

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

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

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

4. INVESTMENTS/INVESTMENT POOLS

Investments

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

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

At June 30, 2026, the District held \$4,391,153 in investments consisting of various investments in securities issued by the United States and its agencies.

Total investments of the NYCLASS cooperative as of year-end, based on un-audited numbers, are \$15,823,474,053 which consists of \$3,384,641,100 in repurchase agreements, \$672,497,647 collateralized bank deposits, \$291,151,923 in FDIC insured bank deposits and \$11,475,183,383 in U.S. Government Treasury Securities.

**Investment in
Securities at Value**

General Fund	\$ 4,366,987
School Lunch Fund	24,166
Total	<u>\$ 4,391,153</u>

The above amounts represent the fair value of the stocks and investment pool shares. NYCLASS measures its investments at fair value and therefore, the District's investments in the pool are not required to be categorized in the fair value hierarchy for purposes of Paragraph 81a(2) of GASB Statement No. 72.

Risks and Uncertainties with Investments

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

5. RECEIVABLES

Receivables balances for the year ended June 30, 2026 are as follows:

<u>Description</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>School</u>	
	<u>Fund</u>	<u>Aid</u>	<u>Projects</u>	<u>Lunch</u>	
Accounts Receivable	\$ 12,615	\$ -	\$ -	\$ -	\$ 12,615
Due From State and Federal	598,812	197,494	15,413	72,744	884,463
Due From Other Governments	354,240	-	-	-	354,240
Total Receivables	\$ 965,667	\$ 197,494	\$ 15,413	\$ 72,744	\$ 1,251,318

6. INTERFUND RECEIVABLES AND PAYABLES

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

Interfund receivable and payable balances at June 30, 2026 are as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 319,026	\$ -	\$ 259,794	\$ 313,251
Special Aid Fund	-	209,524	53,251	-
School Lunch Fund	-	81,362	35,000	-
Capital Projects Fund	-	28,140	225,000	259,794
Total	\$ 319,026	\$ 319,026	\$ 573,045	\$ 573,045

The District typically transfers from the General Fund to the Special Aid Fund for the District's share of the special education summer school programs, to the School Lunch Fund for support for school lunch cost of sales, and the local share to the Capital Projects Fund for specific projects, this includes use of capital reserves as approved by voters. Capital Projects Fund transferred to the General Fund for purposes paying down interest and principal on debt.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

7. CAPITAL ASSETS

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

<u>Type</u>	<u>Balance</u> <u>7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2026</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 42,786	\$ -	\$ -	\$ 42,786
Work in progress	1,571,001	7,643,698	-	9,214,699
<i>Total Nondepreciable</i>	<u>\$ 1,613,787</u>	<u>\$ 7,643,698</u>	<u>\$ -</u>	<u>\$ 9,257,485</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 19,267,115	\$ 2,227	\$ -	\$ 19,269,342
Machinery and equipment	3,041,800	985,261	54,996	3,972,065
<i>Total Depreciated Assets</i>	<u>\$ 22,308,915</u>	<u>\$ 987,488</u>	<u>\$ 54,996</u>	<u>\$ 23,241,407</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 7,454,807	\$ 236,733	\$ -	\$ 7,691,540
Machinery and equipment	1,892,754	237,547	25,876	2,104,425
<i>Total Accumulated Depreciation</i>	<u>\$ 9,347,561</u>	<u>\$ 474,280</u>	<u>\$ 25,876</u>	<u>\$ 9,795,965</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 12,961,354</u>	<u>\$ 513,208</u>	<u>\$ 29,120</u>	<u>\$ 13,445,442</u>
Total Capital Assets	<u>\$ 14,575,141</u>	<u>\$ 8,156,906</u>	<u>\$ 29,120</u>	<u>\$ 22,702,927</u>

8. SHORT-TERM DEBT

Bond Anticipation Notes

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

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

	<u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2026</u>
BAN - Reconstruction and Improvements	6/24/2026	4.00%	\$ 10,200,000	\$ -	\$ 10,200,000	\$ -
BAN - Buses	10/21/2026	4.00%	-	526,224	-	526,224
Total Short-Term Debt			<u>\$ 10,200,000</u>	<u>\$ 526,224</u>	<u>\$ 10,200,000</u>	<u>\$ 526,224</u>

Interest on short-term debt was comprised of:

Interest Paid	\$ 408,000
Less: Interest Accrued in the Prior Year	(6,707)
Plus: Interest Accrued in the Current Year	346
Total Short-Term Interest Expense	<u>\$ 401,639</u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

9. LONG-TERM DEBT OBLIGATIONS

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements.

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

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

Interest Paid	\$ 465,875
Less: Amortization of Premium	(37,810)
Less: Interest Accrued in the Prior Year	(17,898)
Plus: Interest Accrued in the Current Year	32,569
Total Long-Term Interest Expense	\$ 442,736

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

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

	<u>Balance</u> <u>7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2026</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 16,720,000	\$ 10,240,000	\$ 2,125,000	\$ 24,835,000	\$ 2,605,000
Premium	220,620	263,130	37,810	445,940	65,572
Lease Liability	788,627	-	332,014	456,613	188,239
Total Bonds and Notes Payable	\$ 17,729,247	\$ 10,503,130	\$ 2,494,824	\$ 25,737,553	\$ 2,858,811
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 925,226	\$ -	\$ 589,837	\$ 335,389	\$ -
OPEB	71,295,564	3,554,267	13,672,638	61,177,193	-
Retainage Payable	32,808	348,958	-	381,766	381,766
Compensated Absences	981,822	115,112	-	1,096,934	93,530
Total Other Liabilities	\$ 73,235,420	\$ 4,018,337	\$ 14,262,475	\$ 62,991,282	\$ 475,296
Total Long-Term Obligations	\$ 90,964,667	\$ 14,521,467	\$ 16,757,299	\$ 88,728,835	\$ 3,334,107

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

9. LONG-TERM DEBT OBLIGATIONS

The following is a summary of long-term indebtedness:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2026</u>
2014 Bond	\$ 7,542,000	2014	2028	3.00%	\$ 1,225,000
2017 Bond	3,640,000	2017	2037	2.00%	2,285,000
2018 Bond	9,215,785	2018	2033	2.96%	4,680,000
2021 Bond	9,868,582	2021	2039	1.00%	6,405,000
2026 Bond	10,240,000	2026	2041	4.00%	10,240,000
Total Serial Bonds					<u>\$ 24,835,000</u>

The following is a summary of maturing debt service requirements for serial bonds and the energy performance contract:

Serial Bonds			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2027	\$ 2,605,000	\$ 781,667	\$ 65,572
2028	2,640,000	715,288	60,167
2029	2,135,000	635,788	54,659
2030	2,200,000	570,838	49,333
2031	2,265,000	503,687	43,816
2032-36	8,895,000	1,552,419	134,977
2037-41	4,095,000	481,000	37,416
Total	<u>\$ 24,835,000</u>	<u>\$ 5,240,687</u>	<u>\$ 445,940</u>

Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the district. At June 30, 2026, the District has exhausted 33.59% of its constitutional debt limit.

10. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 3,477,067	\$ 2,518,315
OPEB	11,298,665	17,667,851
Total	<u>\$ 14,775,732</u>	<u>\$ 20,186,166</u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

11. PENSION PLANS

General Information:

The District participates in the New York State Employees' Retirement System (ERS) and New York State Teachers' Retirements System (TRS). 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.

Provisions and administration:

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. This is a cost-sharing, multiple-employer retirement system. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report and additional information may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 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.

ERS provides retirement benefits as well as death and disability benefits. This is a cost-sharing multiple-employer retirement system. 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. 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. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

Funding Policies

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

11. PENSION PLANS

General Information:

Funding Policies

length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

The District's share of the required contributions for the current year and two preceding years based on covered payroll paid for the District was:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2026	\$ 368,175	\$ 772,501
2025	\$ 309,510	\$ 784,084
2024	\$ 272,576	\$ 785,113

Pension Liabilities, Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Net pension assets/(liability)	\$ (335,389)	\$ 2,304,179
District's portion of the Plan's total net pension asset/(liability)	0.006%	0.039%

Pension Expense (Credit)

For the year ended June 30, 2026, the District's recognized its proportionate share of pension expense of \$359,748 for ERS and \$(123,538) for TRS.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

11. PENSION PLANS

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2026 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 191,930	\$ 1,207,904	\$ -	\$ -
Changes of assumptions	57,572	912,153	-	24,843
Net difference between projected and actual earnings on pension plan investments	-	-	601,372	1,799,558
Changes in proportion and differences between the District's contributions and proportionate share of contributions	153,705	138,016	42,281	50,261
Subtotal	<u>\$ 403,207</u>	<u>\$ 2,258,073</u>	<u>\$ 643,653</u>	<u>\$ 1,874,662</u>
District's contributions subsequent to the measurement date	132,584	683,203	-	-
Grand Total	<u>\$ 535,791</u>	<u>\$ 2,941,276</u>	<u>\$ 643,653</u>	<u>\$ 1,874,662</u>

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, 2027 for ERS and June 30, 2026 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2026	\$ -	\$ 1,182,079
2027	172,146	(475,899)
2028	(189,589)	(508,598)
2029	(108,159)	(86,549)
2030	(114,844)	222,897
Thereafter	-	49,481
Total	<u>\$ (240,446)</u>	<u>\$ 383,411</u>

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:

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026**

11. PENSION PLANS

Actuarial Assumptions

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
Actuarial valuation date	April 1, 2025	June 30, 2024
Interest rate	5.90%	6.95%
Salary scale	5.20%	5.80%-2.04%
Decrement tables	April 1, 2020- March 31, 2025 System's Experience	July 1, 2019- June 30, 2024 System's Experience
Inflation rate	2.90%	2.50%
COLA's	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2020 - March 31, 2025 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 - March 31, 2025. For TRS, actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2024. Additionally, for TRS, assumptions are computed by the TRS Office of the Actuary and adopted by the TRS. The actuarial assumptions are based upon recent TRS member experience. Detailed assumption information may be found in the TRS annual actuarial valuation report.

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

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 the 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 as of the measurement date are summarized as follows:

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

11. PENSION PLANS

Actuarial Assumptions

	Long Term Expected Rate of Return	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2026	June 30, 2025
<u>Asset Type -</u>		
Domestic equity	3.29%	6.70%
International equity	5.85%	7.40%
Global equity	0.00%	7.00%
Private equity	7.00%	9.80%
Real estate	5.20%	6.50%
Opportunistic/ARS portfolio	5.13%	0.00%
Real assets	5.54%	0.00%
Cash equivalents	0.25%	0.60%
Private debt	0.00%	6.10%
Real estate debt	0.00%	3.80%
High-yield bonds	0.00%	4.70%
Domestic fixed income	0.00%	2.60%
Global bonds	0.00%	2.40%
Credit	5.10%	0.00%
Fixed income	1.75%	0.00%

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 as, actuarially determined. 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 liability.

Sensitivity Of The Proportionate Share Of The Net Pension Liability To The Discount Rate Assumption

The following presents the District's proportionate share of the 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:

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

11. PENSION PLANS

Sensitivity Of The Proportionate Share Of The Net Pension Liability To The Discount Rate Assumption

	1% Decrease	Current Assumption	1% Increase
<u>ERS</u>	<u>(4.90%)</u>	<u>(5.90%)</u>	<u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (2,290,618)	\$ (335,389)	\$ 1,299,268

	1% Decrease	Current Assumption	1% Increase
<u>TRS</u>	<u>(5.95%)</u>	<u>(6.95%)</u>	<u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (4,427,510)	\$ 2,304,179	\$ 7,968,546

Changes in Assumptions

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

Collective Pension Expense (Credit)

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows or resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2026 is \$410,972 for ERS and \$(108,372) for TRS.

Payables To The Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to \$132,584.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2026 are paid to the System in September, October and November 2026 through a state aid intercept. Accrued retirement contributions as of June 30, 2026 represent employee and employer contributions for the fiscal year ended June 30, 2026 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, 2026 amounted to \$758,455.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

11. PENSION PLANS

Other Benefits

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

12. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

A. General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. 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 Statement 75.

Funding Policy - The obligations of the Plan members and the employers are established by action of the District pursuant to applicable collective bargaining and other employee agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach eligibility for retirement under ERS/TRS age 55 and have 5 years of service to qualify for other postemployment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

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, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	41
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	151
Total	192

B. Total OPEB Liability

The District's total OPEB liability of \$61,177,193 was measured as of July 1, 2025 and was determined by an actuarial valuation as of July 1, 2024.

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

Inflation	2.60 percent
Salary Increases	3.00 percent, average, including inflation
Discount Rate	5.20 percent
Healthcare Cost Trend Rates	Initial rate of 7.00% decreasing to an ultimate rate of 5.00% over 55 years
Retirees' Share of Benefit-Related Costs	Varies depending on contract

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026**

12. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

B. Total OPEB Liability

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

Mortality rates were based on RP-2014 mortality table, as appropriate, with adjustments for mortality improvements based on Scale MP-2024.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit. Marriage assumption, it was assumed that active employees will maintain their current marital status. Each eligible employee will retire with the maximum number of sick days allowed and use them as contributions to their retiree premium.

For current retirees, actual consensus information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

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

C. Changes in the Total OPEB Liability

Balance at June 30, 2025	<u>\$ 71,295,564</u>
<u>Changes for the Year -</u>	
Service cost	\$ 758,727
Interest	2,795,540
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(11,511,665)
Benefit payments	<u>(2,160,973)</u>
Net Changes	<u>\$ (10,118,371)</u>
Balance at June 30, 2026	<u><u>\$ 61,177,193</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.95% in 2025 to 5.20% in 2026.

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

	1% Decrease	Discount	1% Increase
	<u>(4.20%)</u>	<u>Rate</u>	<u>(6.20%)</u>
		<u>(5.20%)</u>	
Total OPEB Liability	\$ 70,342,984	\$ 61,177,193	\$ 53,149,172

Sensitivity of the Total OPEB Liability to Change in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current healthcare cost trend rate:

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026**

12. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

C. Changes in the Total OPEB Liability

	1% Decrease (6.00% Decreasing to 4.00%)	Healthcare Cost Trend Rates (7.00% Decreasing to 5.00%)	1% Increase (8.00% Decreasing to 6.00%)
Total OPEB Liability	\$ 53,174,997	\$ 61,177,193	\$ 70,133,631

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

For the year ended June 30, 2026, the District recognized OPEB expense of \$1,226,157. At June 30, 2026 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	\$ 8,899,985	\$ -
Changes of assumptions	-	17,667,851
Contributions after measurement date	2,398,680	-
Total	\$ 11,298,665	\$ 17,667,851

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

Fiscal Year Ending June 30,

<u>Year</u>	
2027	\$ (1,686,727)
2028	(1,686,727)
2029	(1,686,727)
2030	(1,686,727)
2031	(2,020,958)
Thereafter	-
Total	\$ (8,767,866)

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, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

13. RISK MANAGEMENT

Consortiums and Self-Insured Plans

The District participates in the Southern Adirondack Public Schools Workers' Compensation Plan administered by the Board of Directors which is composed of the chief executive officer or other designated officer of the districts participating in Washington-Saratoga-Warren-Hamilton-Essex BOCES, a risk-sharing pool, to insure Workers' Compensation claims. Workers' Compensation benefits are provided by the plan and administered under contract with the plan's consultant. 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. Total contributions to the plan for June 30, 2026 were \$79,958.

14. COMMITMENTS AND CONTINGENCIES

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

There is currently a pending claim against the District related to real property taxes from a non-profit organization for 2017-2021. The case was dismissed by the Supreme Court on January 18, 2024. The Petitioner has filed an appeal. The District's council believes the assessment of likelihood of an unfavorable outcome is low and therefore no liability has been accrued.

15. LEASE ASSETS AND OBLIGATIONS

The District leases buses and copiers under the terms of various non-cancelable leases. Minimum annual rentals for each of the remaining years of the lease are as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2026</u>
<u>Lease Assets:</u>				
Equipment	\$ 1,619,560	\$ -	\$ 372,735	\$ 1,246,825
<i>Total Lease Assets</i>	\$ 1,619,560	\$ -	\$ 372,735	\$ 1,246,825
<u>Less Accumulated Amortization -</u>				
Equipment	\$ 941,916	\$ 283,844	\$ 372,735	\$ 853,025
<i>Total Accumulated Amortization</i>	\$ 941,916	\$ 283,844	\$ 372,735	\$ 853,025
<i>Total Lease Assets, Net</i>	\$ 677,644	\$ (283,844)	\$ -	\$ 393,800

Lease agreements are summarized as follows:

	<u>Date</u>	<u>Payment</u> <u>Terms</u>	<u>Annual</u> <u>Payment</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Total</u> <u>Lease</u> <u>Liability</u>	<u>Balance</u> <u>June 30,</u> <u>2026</u>
Machinery and equipment	1/19/2023	5 years	87,721	3.56%	395,393	\$ 84,705
Machinery and equipment	7/25/2023	5 years	89,767	5.85%	491,350	252,041
Machinery and equipment	8/9/2024	5 years	28,230	5.38%	153,615	104,110
Machinery and equipment	10/11/2024	5 years	5,632	3.56%	26,285	15,757
Total Lease Agreements						\$ 456,613

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

15. LEASE ASSETS AND OBLIGATIONS

The buses and copier were leased for the District with the terms noted above. These leases are not renewable and the District will not acquire the buses or the equipment at the end of the five years.

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

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2027	\$ 188,239	\$ 23,111
2028	205,327	20,301
2029	30,786	3,284
2030	32,261	1,739
2031	-	-
	<u>\$ 456,613</u>	<u>\$ 48,435</u>

16. TAX ABATEMENTS

The Counties of Warren and Washington IDA enter into various property tax abatement programs for the purpose of economic development. Property tax abatements were \$14,753, and there was \$5,057 payment in Lieu of Tax (PILOT) for the year end June 30, 2026.

17. SUBSEQUENT EVENTS

For the school year ending June 30, 2027, the District will be operating on a contingency budget.

The District has evaluated subsequent events through September 29, 2026, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2026 have been incorporated into these statements herein.

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For The Year Ended June 30, 2026

	Original	Amended	Over (Under)	Current	Over (Under)
	<u>Budget</u>	<u>Budget</u>	<u>Original</u>	<u>Year's</u>	<u>Revised</u>
			<u>Budget</u>	<u>Revenues</u>	<u>Budget</u>
REVENUES					
Local Sources -					
Real property taxes	\$ 9,393,462	\$ 9,393,462	\$ -	\$ 9,443,488	\$ 50,026
Real property tax items	770,398	770,398	-	717,947	(52,451)
Charges for services	112,000	112,000	-	53,932	(58,068)
Use of money and property	250,000	250,000	-	525,667	275,667
Sale of property and compensation for loss	6,567	6,567	-	22,504	15,937
Miscellaneous	175,000	175,000	-	323,452	148,452
State Sources -					
Basic formula	13,747,289	13,747,289	-	11,561,997	(2,185,292)
Lottery aid	-	-	-	1,934,938	1,934,938
BOCES	780,762	780,762	-	786,915	6,153
Textbooks	45,435	45,435	-	43,455	(1,980)
All Other Aid -			-		
Computer software	24,102	24,102	-	23,058	(1,044)
Library loan	4,894	4,894	-	4,681	(213)
Other aid	25,000	25,000	-	87,821	62,821
Federal Sources	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>187,298</u>	<u>(2,702)</u>
TOTAL REVENUES	<u>\$ 25,524,909</u>	<u>\$ 25,524,909</u>	<u>\$ -</u>	<u>\$ 25,717,153</u>	<u>\$ 192,244</u>
Other Sources -					
Transfer - in	<u>\$ 255,000</u>	<u>\$ 255,000</u>	<u>\$ -</u>	<u>\$ 259,794</u>	<u>\$ 4,794</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 25,779,909</u>	<u>\$ 25,779,909</u>	<u>\$ -</u>	<u>\$ 25,976,947</u>	<u>\$ 197,038</u>
Appropriated reserves	<u>\$ 100,000</u>	<u>\$ 225,000</u>			
Appropriated fund balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>			
Prior year encumbrances	<u>\$ 74,722</u>	<u>\$ 74,722</u>			
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND EQUITY	<u><u>\$ 26,954,631</u></u>	<u><u>\$ 27,079,631</u></u>			

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For The Year Ended June 30, 2026

	Original	Amended	Over (Under)	Current		Unencumbered
	<u>Budget</u>	<u>Budget</u>	<u>Original</u>	<u>Year's</u>	<u>Encumbrances</u>	<u>Balances</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Balances</u>
EXPENDITURES						
General Support -						
Board of education	\$ 99,578	\$ 99,578	\$ -	\$ 84,557	\$ -	\$ 15,021
Central administration	190,137	188,351	(1,786)	179,591	-	8,760
Finance	422,635	381,075	(41,560)	349,429	685	30,961
Staff	192,700	192,385	(315)	152,591	-	39,794
Central services	1,829,689	1,873,225	43,536	1,558,340	17,502	297,383
Special items	283,692	283,692	-	269,447	-	14,245
Instructional -						
Instruction, administration and improvemen	989,421	989,011	(410)	845,825	-	143,186
Teaching - regular school	4,736,173	4,763,233	27,060	4,528,283	1,697	233,253
Programs for children with						
disabilities	3,219,795	3,145,244	(74,551)	2,751,909	266	393,069
Occupational education	461,810	458,560	(3,250)	447,372	-	11,188
Teaching - special schools	99,033	75,288	(23,745)	56,480	-	18,808
Instructional media	550,245	550,245	-	491,020	6,374	52,851
Pupil services	1,240,764	1,243,309	2,545	1,002,219	10,934	230,156
Pupil Transportation	1,542,594	1,613,819	71,225	1,331,366	8,129	274,324
Employee Benefits	7,582,643	7,582,643	-	6,632,839	-	949,804
Debt service - principal	2,417,682	2,382,212	(35,470)	2,360,891	-	21,321
Debt service - interest	909,040	944,510	35,470	873,875	-	70,635
TOTAL EXPENDITURES	<u>\$ 26,767,631</u>	<u>\$ 26,766,380</u>	<u>\$ (1,251)</u>	<u>\$ 23,916,034</u>	<u>\$ 45,587</u>	<u>\$ 2,804,759</u>
Other Uses -						
Transfers - out	\$ 187,000	\$ 313,251	\$ 126,251	\$ 313,251	\$ -	\$ -
TOTAL EXPENDITURES AND						
OTHER USES	<u>\$ 26,954,631</u>	<u>\$ 27,079,631</u>	<u>\$ 125,000</u>	<u>\$ 24,229,285</u>	<u>\$ 45,587</u>	<u>\$ 2,804,759</u>
NET CHANGE IN FUND EQUITY	\$ -	\$ -		\$ 1,747,662		
FUND EQUITY, BEGINNING OF YEAR	5,175,721	5,175,721		5,175,721		
FUND EQUITY, END OF YEAR	<u>\$ 5,175,721</u>	<u>\$ 5,175,721</u>		<u>\$ 6,923,383</u>		

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Note to Budgetary Comparison Schedule
For The Year Ended June 30, 2026

The difference between the original budget and the final amended budget was \$199,722. This change is attributable to \$74,722 for carry over encumbrances from the prior year and \$125,000 for transfer for voter approved use of the capital reserve.

The key factors for budget variances in the General fund are listed below along with explanations for each:

Revenue Items	Budget Variance Original Vs. Amended	Explanation for Budget Variance
None		
<u>Expenditure Items</u>		
Instruction	\$ (72,351)	Funds transferred from BOCES Special Ed program line to other areas, less students were served in BOCES in 25-26.
Pupil Transportation	\$ 71,225	Business office salaries for duties relating to transportation and moved two drivers from four hour shifts to seven hour shifts.
Transfers-Out	\$ 126,251	Voter approved transfer out of the capital reserve for the 25/26 bus purchases.
Revenue Items	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Use of Money and Property	\$ 275,667	District investments have seen a rate of return in recent years that is higher than historical norms. As interest rates can be unpredictable, the District budgets based on historical returns.
Miscellaneous	\$ 148,452	As part of a PILOT agreement the District received an educational contribution that was not budgeted for.
State Sources	\$ (184,617)	Under budget as this is based on previous state aid reports received and there were changes effecting current year.
<u>Expenditure Items</u>		
Central services	\$ 297,383	Budgeted fuel oil high due to the unstable economy and what was happening in the middle east, budgeted higher for electric due to new RFP through the consortium, froze all spending in January due to budget concerns, and a set-aside amount of \$52,000 for logo change was not needed.
Instructional	\$ 1,082,511	Our special education placements at BOCES and private schools were lower due to less students needing to be outplaced because of the addition of an in-district self-contained classroom. We also budgeted high for contracted sp ed services which came in under budget due to less student needs. Budgeted for potential residential placement that did not occur, but which still might, and Spending was frozen to protect fund balance.
Pupil transportation	\$ 274,324	The budget included \$60,000 for a new bus purchase, a bus BAN was used instead. There was \$60,000 budgeted for contract transportation which was not needed. Utility expenses came in lower than planned.
Employee Benefits	\$ 949,804	Due to historical increases in Health insurance, the budgeted amount was kept high, but came in under what was projected and we had a mid year push for employees to move from the more expensive ALT PPO plan to the HRA where nearly 20 people moved.

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Changes in Total OPEB Liability
For The Year Ended June 30, 2026

	TOTAL OPEB LIABILITY									
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Service cost	\$ 758,727	\$ 797,333	\$ 759,365	\$ 2,465,586	\$ 2,348,177	\$ 1,745,898	\$ 1,662,760	\$ 2,159,075	\$ 2,159,075	
Interest	2,795,540	2,026,054	1,970,842	1,533,070	1,506,493	1,666,242	1,695,588	1,551,372	1,324,770	
Changes in benefit terms	-	-	-	-	550,743	-	-	(1,136,803)	-	
Differences between expected and actual experiences	-	16,648,631	-	(4,398,203)	-	10,554,701	-	(119,230)	-	
Changes of assumptions or other inputs	(11,511,665)	(2,179,037)	(818,790)	(12,220,725)	-	7,934,411	1,570,834	(92,594)	(4,459,096)	
Benefit payments	<u>(2,160,973)</u>	<u>(2,214,185)</u>	<u>(1,976,951)</u>	<u>(1,680,228)</u>	<u>(1,631,310)</u>	<u>(1,381,804)</u>	<u>(1,243,331)</u>	<u>(1,376,114)</u>	<u>(1,207,118)</u>	
Net Change in Total OPEB Liability	\$ (10,118,371)	\$ 15,078,796	\$ (65,534)	\$ (14,300,500)	\$ 2,774,103	\$ 20,519,448	\$ 3,685,851	\$ 985,706	\$ (2,182,369)	
Total OPEB Liability - Beginning	\$ 71,295,564	\$ 56,216,768	\$ 56,282,302	\$ 70,582,802	\$ 67,808,699	\$ 47,289,251	\$ 43,603,400	\$ 42,617,694	\$ 44,800,063	
Total OPEB Liability - Ending	\$ 61,177,193	\$ 71,295,564	\$ 56,216,768	\$ 56,282,302	\$ 70,582,802	\$ 67,808,699	\$ 47,289,251	\$ 43,603,400	\$ 42,617,694	
Covered Employee Payroll	\$ 9,934,597	\$ 10,280,590	\$ 10,758,519	\$ 10,257,666	\$ 9,302,424	\$ 6,921,111	\$ 9,762,279	\$ 9,669,617	\$ 9,224,782	
Total OPEB Liability as a Percentage of Covered Employee Payroll	615.80%	693.50%	522.53%	548.69%	758.76%	979.74%	484.41%	450.93%	461.99%	

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

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedules of the Proportionate Share of the Net Pension (Liability) Asset
For The Year Ended June 30, 2026

NYSERS Pension Plan									
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension (liability) assets	0.0059%	0.0054%	0.0060%	0.0057%	0.0052%	0.0056%	0.0057%	0.0056%	0.0057%
Proportionate share of the net pension (liability) assets	\$ (335,389)	\$ (925,226)	\$ (880,948)	\$ (1,224,420)	\$ 428,906	\$ 5,552	\$ 1,515,215	\$ 399,000	\$ 183,730
Covered-employee payroll	\$ 2,588,602	\$ 2,612,613	\$ 2,309,264	\$ 2,252,705	\$ 1,907,404	\$ 1,925,805	\$ 2,095,148	\$ 2,140,883	\$ 1,934,725
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	-12.956%	-35.414%	-38.148%	-54.353%	22.486%	0.288%	72.320%	18.637%	9.496%
Plan fiduciary net position as a percentage of the total pension liability	97.78%	93.08%	93.88%	103.65%	103.65%	99.95%	86.39%	96.27%	98.24%
NYSTRS Pension Plan									
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension (liability) assets	0.0389%	0.0421%	0.0420%	0.0417%	0.0401%	0.0424%	0.0424%	0.0423%	0.0425%
Proportionate share of the net pension (liability) assets	\$ 2,304,179	\$ 1,255,360	\$ (480,089)	\$ (801,017)	\$ 6,947,552	\$ 1,171,260	\$ 1,101,953	\$ 764,792	\$ 323,091
Covered-employee payroll	\$ 8,613,118	\$ 9,253,518	\$ 8,449,255	\$ 8,004,961	\$ 7,395,021	\$ 6,921,111	\$ 7,199,614	\$ 6,987,996	\$ 7,032,856
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	26.752%	13.566%	-5.682%	-10.007%	93.949%	16.923%	15.306%	10.944%	4.594%
Plan fiduciary net position as a percentage of the total pension liability	102.0%	102.1%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present. Note data was not available for a complete presentation until 6/30/2018.

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedules of District Contributions
For The Year Ended June 30, 2026

NYSERS Pension Plan

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 368,175	\$ 309,510	\$ 272,576	\$ 238,196	\$ 243,852	\$ 279,567	\$ 260,863	\$ 306,730	\$ 257,185
Contributions in relation to the contractually required contribution	<u>(368,175)</u>	<u>(309,510)</u>	<u>(272,576)</u>	<u>(238,196)</u>	<u>(243,852)</u>	<u>(279,567)</u>	<u>(260,863)</u>	<u>(306,730)</u>	<u>(257,185)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,588,602	\$ 2,612,613	\$ 2,309,264	\$ 2,252,705	\$ 1,907,404	\$ 1,925,805	\$ 2,095,148	\$ 2,140,883	\$ 1,934,725
Contributions as a percentage of covered-employee payroll	14.22%	11.85%	11.80%	10.57%	12.78%	14.52%	12.45%	14.33%	13.29%

NYSTRS Pension Plan

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 772,501	\$ 784,084	\$ 797,838	\$ 724,712	\$ 724,712	\$ 631,444	\$ 607,270	\$ 675,148	\$ 789,444
Contributions in relation to the contractually required contribution	<u>(772,501)</u>	<u>(784,084)</u>	<u>(797,838)</u>	<u>(724,712)</u>	<u>(724,712)</u>	<u>(631,444)</u>	<u>(607,270)</u>	<u>(675,148)</u>	<u>(789,444)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,613,118	\$ 9,253,518	\$ 8,449,255	\$ 8,004,961	\$ 7,395,021	\$ 6,921,111	\$ 7,199,614	\$ 6,987,996	\$ 7,032,856
Contributions as a percentage of covered-employee payroll	8.97%	8.47%	9.44%	9.05%	9.80%	9.12%	8.43%	9.66%	11.23%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present. Note data was not available for a complete presentation until 6/30/2018.

Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Changes From Adopted Budget To Final Budget
And Schedule of Real Property Tax Limit
For The Year Ended June 30, 2026

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 26,879,909
Prior year's encumbrances	<u>74,722</u>
Original Budget	\$ 26,954,631
Budget revisions -	
Capital Reserve	<u>125,000</u>
FINAL BUDGET	<u><u>\$ 27,079,631</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2026-27 voter approved expenditure budget	\$ 26,897,955
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Unrestricted fund balance:

Assigned fund balance	\$ 563,440
Unassigned fund balance	<u>1,212,432</u>
Total Unrestricted fund balance	<u>\$ 1,775,872</u>

Less adjustments:

Appropriated fund balance	\$ 517,853
Encumbrances included in assigned fund balance	<u>45,587</u>
Total adjustments	<u>\$ 563,440</u>

General fund fund balance subject to Section 1318 of

Real Property Tax Law	<u>1,212,432</u>
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ACTUAL PERCENTAGE	<u><u>4.51%</u></u>
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Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures - Capital Projects Fund
For The Year Ended June 30, 2026

<u>Project Title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Obligations</u>	<u>Local Sources</u>	<u>State Sources</u>	<u>Total</u>	
Project 20 # 002-027	\$ 9,400,000	\$ 10,034,674	\$ 10,034,674	\$ -	\$ 10,034,674	\$ -	\$ 9,934,674	\$ 100,000	\$ -	\$ 10,034,674	\$ -
Project 23 # 002-033	100,000	100,000	100,000	-	100,000	-	-	100,000	-	100,000	-
Project 24	100,000	100,000	100,000	-	100,000	-	-	100,000	-	100,000	-
Project 25	100,000	100,000	95,206	4,794	100,000	-	-	100,000	-	100,000	-
Project 25	11,280,000	11,280,000	1,569,716	7,679,765	9,249,481	2,030,519	10,575,290	625,001	-	11,200,291	1,950,810
Project 26	100,000	100,000	-	100,000	100,000	-	-	100,000	-	100,000	-
Emergency Transportation # 5012	105,000	105,000	105,000	-	105,000	-	-	105,000	-	105,000	-
Smart School Bond Act	914,980	914,980	363,430	131,363	494,793	420,187	-	-	494,793	494,793	-
Buses	-	-	72,981	651,224	724,205	(724,205)	72,981	125,000	-	197,981	(526,224)
TOTAL	\$ 22,099,980	\$ 22,734,654	\$ 12,441,007	\$ 8,567,146	\$ 21,008,153	\$ 1,726,501	\$ 20,582,945	\$ 1,355,001	\$ 494,793	\$ 22,432,739	\$ 1,424,586

Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital and Lease Assets
June 30, 2026

Capital and lease assets, net		\$ 23,096,727
Add:		
Cash on hand	<u>\$ 2,739,093</u>	2,739,093
Deduct:		
Bond payable	\$ 24,835,000	
Retainage payable	381,766	
Unamortized bond premium	445,940	
Bond anticipation notes payable	526,224	
Lease Liability	<u>456,613</u>	
		<u>27,171,767</u>
Net Investment in Capital and Lease Assets		<u><u>\$ (1,335,947)</u></u>

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

To the President and Members of the Board of Education of
Cambridge Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and fiduciary fund of Cambridge Central School District (the District), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Mengel, Metzger, Barw & Co. LLP

Latham, NY

September 29, 2026

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2026**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

_____yes X no

_____yes X none reported

Noncompliance material to financial statements noted?

_____yes X no

Section II: Financial Statement Findings

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

None

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2026**

Section III: Summary of Prior Audit Findings

2025-001 Audit Adjustments

Statement of Condition: District did not identify items related to capital project that needed to be accrued at year end.

Status: This item has been corrected.

2025-002 Compliance with New York State Real Property Tax Law

Statement of Condition: The unassigned fund balance of the general fund exceeds 4% of the 25/26 general fund budget.

Status: This item has been materially corrected as the District is not over the 26/27 budget by a material amount.

2025-003 Child Nutrition Cluster - Procurement

Status: This item has been corrected.