

PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2025

NEW ISSUE/RENEWAL

BOND ANTICIPATION NOTES

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

The Notes will **NOT** be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

\$35,215,000
NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT
NIAGARA COUNTY, NEW YORK

\$35,215,000 Bond Anticipation Notes - 2025

Dated: June 25, 2025

Due: June 25, 2026

The Notes are general obligations of the Niagara Wheatfield Central School District, Niagara County, New York, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "Nature of the Obligation" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued in registered form registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

If the Notes are issued in book-entry form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "Book-Entry-Only System" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an unqualified legal opinion as to the validity of the Notes of Hawkins Delafield and Wood LLP, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the Purchaser(s), on or about June 25, 2025.

Facsimile or telephone bids will be received TUESDAY, June 3, 2025 until 10:00 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12, EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS REQUIRED BY SAID RULE.

DATED: May 28, 2025

**NIAGARA-WHEATFIELD CENTRAL SCHOOL DISTRICT
NIAGARA COUNTY, NEW YORK**

School District Officials

2024-25 BOARD OF EDUCATION

Jason Myers - President
Robert McDermott - Vice President

Wendy Cox
Julie Fago
Craig Guliani
Michael Lee
Richard Sirianni
Jonah Goldman – Student Ex-Officio

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Daniel G. Ljiljanich - Superintendent of Schools
Dr. Allison Davis – Assistant Superintendent of Finance and Management
Thomas Stack – Assistant Superintendent of Personnel and Pupil Services
Deanna Rosinski – Assistant Business Official
Samantha Robinson - Treasurer
Renee Torcasio – District Clerk

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School District Attorney

Harris Beach

Personius Melber LLP

Bond Schoeneck & King PLLC

Webster Szanyi LLC

BOND COUNSEL

Hawkins, Delafield and Wood LLP

MUNICIPAL ADVISOR



R. G. Timbs, Inc.

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

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PREPARED WITH THE ASSISTANCE OF:

R. G. Timbs, Inc
 11 Meadowbrook Road
 Whitesboro, NY 13492
 877-315-0100
Expert@rgtimbsinc.net

OFFICIAL STATEMENT

of the

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT NIAGARA COUNTY, NEW YORK

Relating To

\$35,215,000 Bond Anticipation Notes - 2025

This Official Statement, which includes the cover page, has been prepared by the Niagara Wheatfield Central School District, Niagara County, New York (the “District,” “County” and “State,” respectively) in connection with the sale by the School District of \$35,215,000 Bond Anticipation Notes - 2025 (the “Notes”).

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

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

Description of the Notes

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

The Notes are dated June 25, 2025, and mature, without option of prior redemption, June 25, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. Paying agent fees, if any, will be paid by the purchaser(s).

The Notes will be issued as registered notes and, at the option of the purchaser(s), may be registered to the Depository Trust Company (“DTC”) or may be registered in the name of the purchaser.

If the Notes are issued registered in the name of the successful bidder(s), a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to the respective successful bidder at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the District, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

Nature of the Obligation

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

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

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

Remedies Upon Default

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

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

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

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

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

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

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

Section 99-B of The State Finance Law

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

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

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

No Past Due Debt

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

Bankruptcy

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

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

Market Matters Affecting Financings of The State and Municipalities of The State

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

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available, therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available, therefore. (See "State Aid" and "Events Affecting New York School Districts" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

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

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

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

Cyber Security

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

threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law and the Local Finance Law, and pursuant to a bond resolution dated December 14, 2022, authorizing the issuance of obligations of the District in the amount of \$46,820,000 for the construction of improvements and alterations to various District buildings and/or sites and the construction of a storage building at the HS/ETMS/BG campus (the “Project”).

The proceeds of the Notes, together with \$535,000 available funds, will renew and redeem \$21,500,000 Bond Anticipation Note – 2024 maturing June 26, 2025. The \$14,250,000 balance of the proceeds of the Notes will provide additional original financing for the Project.

Book-Entry Only System

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

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

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

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

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

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC not its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

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

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT

PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

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

THE SCHOOL DISTRICT

General Information

The District comprises about 115 square miles in southwestern Niagara County, adjacent to the City of Niagara Falls on the west and south and the City of North Tonawanda and the Niagara River on the south. Included within its boundaries are major portions of the towns of Niagara and Wheatfield and small portions of the Towns of Lewiston and Cambria.

The District is residential and industrial in character but has some open farmland. Many of the residents are employed in the cities of Niagara Falls, Lockport, and Buffalo. A network of highways provides transportation means for local motor freight, and airport facilities are available at the Buffalo Niagara International Airport and the Niagara Falls International Airport which includes the Niagara Falls Air Force Base.

Hospital, banking, recreational and utility facilities are available to the residents of the District, either within the District or in nearby areas. Public safety is provided by the State Police and the Niagara County Sheriff's Department. Fire protection is provided by volunteer fire companies.

District Population

The 2023 population of the School District is estimated to be 26,448 (Source: 2023 U.S. Census Bureau estimate)

Economic Developments

An Amazon warehouse has been in the works in the amount of approximately \$168 million adding an estimated 1,000 jobs. There are currently 3 subdivisions in the process of being built.

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns						
Of:						
Niagara	\$23,156	\$23,977	\$33,303	\$51,598	\$53,421	\$74,493
Wheatfield	28,328	33,800	44,177	82,332	93,101	111,220
Lewiston	29,053	32,568	40,857	72,721	84,713	97,334
Cambria	26,540	32,280	50,864	75,633	90,978	133,583
County Of:						
Niagara	24,224	27,487	37,898	59,471	66,617	88,304
State Of:						
New York	30,948	34,212	49,520	67,405	74,036	105,060

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

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

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Year Built</u>	<u>Current Maximum Capacity</u>	<u>Date of Last Addition or Alteration</u>
Tuscarora Indian Elementary	K-6	1952	533	2024
Colonial Village Elementary	K-5	1949	926	2024
Errick Road Elementary	K-5	1953	961	2024
West Street Elementary	K-5	1997	726	2024
Edward Town Middle School	6-8	1964	2,019	2024
Niagara Wheatfield Senior High	9-12	1958	2,627	2024

Source: District Officials

District Employees

The District employs a total of 499 full-time and 70 part-time employees with representation by the various bargaining units listed below:

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
Niagara Wheatfield Teachers' Association	297	6/30/2025*
Niagara Wheatfield School Related Personnel Assoc.	231	6/30/2028
Niagara Wheatfield Administrator Association	14	6/30/2027
Confidential and Other Professional	12	6/30/2027
Other Professional	15	Various

*Currently under negotiations.

Source: District Officials

Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2020-21	3,427	2025-26	3,201
2021-22	3,350	2026-27	3,201
2022-23	3,265	2027-28	3,197
2023-24	3,265	2028-29	3,203
2024-25	3,199	2029-30	3,219

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement -System ("ERS"). Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976, with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).

- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Members of the TRS have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

- Raising the minimum age an individual can retire without penalty from 55 to 57 years.
- Contributing 3.5% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009 and before April 2, 2012.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2024-2025 and 2025-2026 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$1,255,803	\$2,306,037
2020-2021	1,315,968	2,572,970
2021-2022	1,049,937	2,609,792
2022-2023	881,034	2,224,999
2023-2024	1,143,387	2,768,508
2024-2025 (Budgeted)	1,383,546	2,846,311
2025-2026 (Budgeted)	1,518,389	2,719,125

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2025-26) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	14.6%	9.53%
2021-2022	16.2	9.8
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11
2025-2026	16.5	9.59*

*Estimated

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

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

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

Stable Rate Pension Contribution Option - The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers; but will require higher than normal contributions in later years.

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

The State’s 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the

balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District did establish a TRS Reserve Fund on June 30, 2019, and initially funded the reserve in the amount of \$526,000. The reserve has a current balance of \$1,614,937.

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

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated June 30, 2022, and financial data as of June 30, 2024, the School District's beginning year total OPEB liability was \$1,489,564, the net change for the year was \$170,208 resulting in a total OPEB liability of \$1,659,772 for a fiscal year ending June 30, 2024. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2024 financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers For Buffalo and Western New York

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
State of New York	Government	22,032
Federal Executive Board	Federal Government	10,492
Kaleida Health	Health Care	9,343
M&T Bank	Banking	7,656
Catholic Health	Health Care	7,600
University at Buffalo	Education	6,508
Buffalo City School District	Education	6,244
Tops Friendly Markets	Retail Grocery	5,368
People Inc.	Human Services	4,897
Walmart	Retail Grocery	4,784
Erie County	Government	4,584
Erie County Medical Center Corp	Health Care	3,894
Roswell Park Comprehensive Cancer Center	Health Care	3,884
Geico	Insurance	3,750
U.S. Postal Service	Government	3,638
Moog Inc.	Manufacturing	3,500
Wegmans Food Markets Inc.	Retail Grocery	3,299
Seneca Gaming Corp	Entertainment	3,000
City of Buffalo	Government	2,709
CITI	Banking	2,475
Amazon	Retail	2,300
West Herr Automotive Group	Retail	2,152
VA Western New York Healthcare System	Health Care	2,088
Aspire of WNY Inc.	Human Services	1,899
Ingram Micro	Technology	1,699
UB MD Physicians Group	Health Care	1,698
General Motors - Lockport Facility	Manufacturing	1,632
Niagara Frontier Transit Authority	Transportation	1,600
Seneca Nation	Municipal Government	1,554
Elderwood	Banking	1,503
Cummins Inc.	Manufacturing	150

Source: District Officials

Unemployment Rate Statistics

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

Year	Niagara County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2020	10.0%	9.8%	8.1%
2021	5.6%	7.1%	5.3%
2022	3.8%	4.3%	3.6%
2023	3.9%	4.1%	3.7%
2024	4.2%	4.3%	4.0%

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

<u>2024-2025 Monthly Figures</u>												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Niagara County	3.9%	3.7%	3.7%	4.4%	4.3%	3.4%	3.5%	3.7%	4.3%	5.4%	5.7%	4.8%
New York State	3.9%	4.0%	4.3%	4.8%	4.8%	4.0%	4.2%	4.2%	4.2%	4.6%	4.3%	4.1%

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

Investment Policy

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the District is generally permitted to deposit monies in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those bonds issued by the District; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to, and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

Form of School Government

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

The legislative power of the District is vested in the Board of Education, which consists of seven members including the President and Vice President. Board members are elected for overlapping terms of three years such that as nearly as possible an equal number of members are elected to the Board on the third Tuesday of May each year. The administrative officers of the District, whose duty it is to implement the policies of the Board of Education and who are appointed by such Board, include the Superintendent of Schools and School Business Administrator.

Budgetary Procedures

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

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York ("Chapter 97"), beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

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

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

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023, by a vote of 505 to 225. The School District's 2023-24 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024, by a vote of 624 to 277. The School District's 2024-25 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025, by a vote of 464 to 143. The School District's 2025-26 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2025-26 fiscal year, approximately 48.54% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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

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

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State budget which was not adopted until May 3, 2023, the 2024-25 State budget which was not adopted until April 20, 2024 and the 2025-26 State Budget which was not adopted until May 9, 2025. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State –

Since March, 2020, the State has been awarded over \$14 billion in federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds were used to support local educational agencies' efforts to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. Such federal funding expired at the end of the 2023-24 fiscal year.

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

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

State Aid History

The State's 2020- 2021 Enacted Budget - Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately \$27.9 billion, an annual increase of approximately \$100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

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

The State 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to

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

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

The State's 2024-25 Enacted Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

The State's 2025-26 Enacted Budget provides \$37.6 billion in State funding to school districts for the 2025-26 school year, the highest level of State aid ever. This represents an increase of \$1.7 billion or 4.9 percent compared to the 2024-25 school year and includes a \$1.4 billion or 5.6 percent Foundation Aid increase. The State's 2025-26 Enacted Budget includes a 2% minimum increase in Foundation Aid to all school districts and makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

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

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

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools — as initially proposed by the Governor and presented to the Legislature as an amount

sufficient to provide a sound basic education — was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

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

- FY 2022: \$19.8 billion, covering 30% of existing shortfall
- FY 2023: Approximately \$21.3 billion, cover 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school Districts
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Enacted Budget makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for 2024-25 and 2025-26 fiscal years.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 73,722,565	\$ 33,420,968	45.33%
2020-2021	90,464,459	49,773,925	55.02
2021-2022	80,969,340	40,388,469	49.88
2022-2023	81,339,982	39,616,309	48.70
2023-2024	86,656,978	42,243,272	48.75
2024-2025 (Budgeted)	88,279,067	43,908,765	49.74
2025-2026 (Budgeted)	85,587,655	41,540,314	48.54

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-25 and 2025-26 fiscal years. This table is not audited.

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers, and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	0.0
2023	No Designation	3.3
2022	No Designation	6.7
2021	No Designation	0.0
2020	No Designation	3.3

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

State Comptroller Report of Examination

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

The most recent State Comptroller audit report of the District dated February 21, 2020 was to determine whether District officials properly managed and accounted for Niagara Power Coalition and Native American revenues from July 1, 2015-September 18, 2019.

Key Findings

- District officials did not properly account for Niagara Power Coalition revenues; \$4.2 million was maintained in the debt service fund although the funds had not been designated to pay debt.
- District officials improperly restricted funds in a debt service.
- District officials maintained a capital reserve that was not properly approved.

Key Recommendations

- Account for Niagara Power Coalition revenues in a special revenue fund.
- Investigate the source of funds in the debt reserve and, if appropriate, transfer these funds to a special revenue fund.
- Consult with legal counsel on the appropriate action regarding the future use of the capital reserve.

A copy of the complete report and the District's response can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no State Comptroller audits of the District that are currently in progress or pending release.

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

Other Information

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

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

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

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2024, and may be found attached hereto as Appendix B

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

TAX INFORMATION

Assessed and Full Valuations

Fiscal Year Ended June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuations:					
Town of Niagara	\$ 277,518,285	\$ 282,380,338	\$ 278,307,816	\$ 281,253,606	\$ 281,073,143
Town of Wheatfield	720,484,375	741,396,415	732,439,380	738,866,236	747,750,148
Town of Lewiston	122,003,150	125,024,186	122,268,226	124,724,101	124,696,107
Town of Cambria	<u>26,508,366</u>	<u>27,331,270</u>	<u>26,911,756</u>	<u>43,763,577</u>	<u>44,874,658</u>
Total	\$ 1,146,514,176	\$ 1,176,132,209	\$ 1,159,927,178	\$ 1,188,607,520	\$ 1,198,394,056

Equalization Rates:

Town of Niagara	49.00%	46.00%	42.00%	37.00%	33.00%
Town of Wheatfield	53.00%	52.00%	46.00%	40.00%	38.00%
Town of Lewiston	59.00%	56.00%	53.00%	46.00%	43.00%
Town of Cambria	89.00%	82.00%	70.00%	100.00%	100.00%

Full Valuations:

Town of Niagara	\$ 566,363,847	\$ 613,870,300	\$ 662,637,657	\$ 760,144,881	\$ 851,736,797
Town of Wheatfield	1,359,404,481	1,425,762,337	1,592,259,522	1,847,165,590	1,967,763,547
Town of Lewiston	206,785,000	223,257,475	230,694,766	271,139,350	289,990,947
Town of Cambria	<u>29,784,681</u>	<u>33,330,817</u>	<u>38,445,366</u>	<u>43,763,577</u>	<u>44,874,658</u>
Total	\$ 2,162,338,009	\$ 2,296,220,929	\$ 2,524,037,311	\$ 2,922,213,398	\$ 3,154,365,949

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

Tax Rate per \$1,000 Assessed Value

Fiscal Year Ending June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Town of Niagara					
Homestead	\$ 29.95	\$ 31.10	\$ 30.90	\$ 30.91	\$ 33.01
Non-Homestead	40.15	41.94	41.63	41.84	45.18
Town of Wheatfield					
Homestead	27.41	27.30	28.09	28.50	28.60
Non-Homestead	37.19	37.13	38.21	38.73	38.44
Town of Lewiston					
Homestead	24.17	25.41	24.45	24.92	25.40
Non-Homestead	32.91	34.00	32.61	33.30	34.28
Town of Cambria					
Homestead	16.57	17.45	18.56	11.43	10.97
Non-Homestead	21.81	23.21	24.69	15.29	14.74

Tax Collection Procedure

Real property taxes for school purposes are levied by the District and are collected by the District's appointed tax collector for each town. Such taxes may be paid without penalty on or before October 5. Delinquent school tax payments are assessed penalties in accordance with an ascending scale, which starts at 2% if paid between October 6 and November 5.

On or about November 5, uncollected taxes are turned over to the Niagara County Treasurer and the County reimburses the District in full for the uncollected amount no later than April 1 of the District's fiscal year.

The County has the power to enforce the collection of real property taxes and to issue and sell tax anticipation notes in order to finance any uncollected taxes returned to the District. The table below shows the District's collections for the past five years.

Tax Collection Record

Fiscal Year Ended June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
Total Tax Levy:	\$34,043,515	\$34,720,519	\$35,411,457	\$36,184,633	\$ 37,266,554
Less: STAR Collections	3,959,103	3,785,139	3,483,700	3,278,501	3,038,332
Prior to Return to County	30,084,412	30,935,380	31,927,757	32,906,132	34,228,222
Amount Returned	1,463,080	1,395,465	1,393,040	1,768,049	,675,581
Percentage Collected Prior to Return to County	95.14%	95.49%	95.64%	94.63%	95.10%

*Tax Collection figures are as of December 12, 2024.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2019-2020	\$ 73,722,565	\$ 35,333,595	47.93%
2020-2021	90,024,264	35,838,150	39.81
2021-2022	80,969,340	36,490,821	45.07
2022-2023	81,339,982	37,097,344	45.61
2023-2024	86,656,978	38,168,324	44.05
2024-2025 (Budgeted)	88,279,067	37,266,554	42.21
2025-2026 (Budgeted)	85,587,655	37,506,700	43.82

Source: Audited financial statements for the 2019-2020 fiscal year through 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

Major Taxpayers 2024

For 2024-25 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Value</u>
Niagara Mohawk	Utility	\$23,071,761
Empire State Pipeline	Utility	5,811,074
Niagara Recycling Inc	Landfill	4,979,600
CV9370 LLC	Mobile Home Park	4,447,600
Wegmans Food Markets Inc	Commercial	4,300,000
100 Crestwood Court LLC	Commercial	4,000,000
CCP North Gate 7584 LLC	Commercial	3,717,400
National Fuel Gas Distr.	Utility	2,754,201
2600 Niagara Falls Blvd LLC	Commercial	3,450,000
Total		<hr/> \$56,531,636

1. The above taxpayers represent 4.7% of the School District's 2024-25 Taxable Assessed value of \$1,198,394,056.

Please refer to the litigation tab of this Official Statement for pending or outstanding tax certioraris that are known to have a material impact on the District.

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2024 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of \$98,700 or less in 2024 and \$107,300 or less in 2025, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$84,000 for the 2024-25 school year and the first \$86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of \$250,000 (\$500,000 in the case of a STAR Credit, as discussed below) are eligible for a \$30,000 "full value" exemption on their primary residence.

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), a newly adopted State budget bill includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of Tax Levy Limitation Law. School districts budgets must comply in their 2014-15 and 2015-16 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount was increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrated "three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must have provided certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015 and was signed into law by the Governor on June 26, 2015. The program began in 2016 and was fully phased in 2019.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy Limit Law modifies current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency

budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

The Tax Levy Limit Law requires that a school district submit its proposed tax levy (not its proposed budget) to the voters each year and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

Debt Limit the District has the power to contract indebtedness for any school district purpose so long as the principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions. The constitutional method for determining full valuation by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio which such assessed valuation bears to the full valuation as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The District has complied with such procedure with respect to the Notes.

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

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

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than 2 years from the date of the first issuance of such notes and provided that such renewal issues do not exceed 5 years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short term general obligation indebtedness including revenue, tax anticipation, budget, and capital notes.

Status of Indebtedness

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2020	2021	2022	2023	2024
Serial Bonds	\$ 30,565,000	\$ 19,200,000	\$ 14,515,000	\$ 30,565,000	\$ 25,965,000
Bond Anticipation Notes	10,000,000	14,085,000	21,015,000	-	-
Capital Lease	2,070,302	2,346,476	2,210,530	2,070,302	1,925,658
Total Debt Outstanding	\$ 42,635,302	\$ 35,631,476	\$ 37,740,530	\$ 32,635,302	\$ 27,890,658

Status of Outstanding Bond Issues

Year of Issue:	2013		2020	
Amount Issued:	\$10,570,000		\$9,925,000	
Purpose/Instrument:	Building/ Serial Bond		Building/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 760,000 *	\$ 103,888	\$ 625,000 *	\$ 143,100
2026	780,000	73,488	640,000	130,600
2027	805,000	50,088	680,000	117,800
2028	830,000	25,938	695,000	104,200
2029	-	-	715,000	90,300
2030	-	-	730,000	76,000
2031	-	-	745,000	61,400
2032	-	-	760,000	46,500
2033	-	-	725,000	31,300
2034	-	-	620,000	16,800
2035	-	-	220,000	4,400
Totals:	\$ 3,175,000	\$ 253,402	\$ 7,155,000	\$ 822,400

	2022		2023	
Amount Issued:	\$1,485,000		\$17,735,000	
Purpose/Instrument:	DASNY Refunding/Serial Bond		Building/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 380,000	\$ 39,000	\$ 1,800,000	\$ 594,200
2026	400,000	20,000	1,800,000	522,200
2027	-	-	1,390,000	450,200
2028	-	-	1,175,000	394,600
2029	-	-	1,060,000	347,600
2030	-	-	910,000	305,200
2031	-	-	940,000	268,800
2032	-	-	985,000	231,200
2033	-	-	955,000	191,800
2034	-	-	985,000	153,600
2035	-	-	1,040,000	114,200
2036	-	-	955,000	72,600
2037	-	-	860,000	34,400
Totals:	\$ 780,000	\$ 59,000	\$ 14,855,000	\$ 3,680,600

*Principal payment made prior to Debt Statement dated May 27, 2025.

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>%Paid</u>
2025	\$ 3,565,000	\$ 880,188	\$ 4,445,188	14.44%
2026	3,620,000	746,288	4,366,288	28.63%
2027	2,875,000	618,088	3,493,088	39.98%
2028	2,700,000	524,738	3,224,738	50.45%
2029	1,775,000	437,900	2,212,900	57.64%
2030	1,640,000	381,200	2,021,200	64.21%
2031	1,685,000	330,200	2,015,200	70.75%
2032	1,745,000	277,700	2,022,700	77.33%
2033	1,680,000	223,100	1,903,100	83.51%
2034	1,605,000	170,400	1,775,400	89.28%
2035	1,260,000	118,600	1,378,600	93.76%
2036	955,000	72,600	1,027,600	97.09%
2037	860,000	34,400	894,400	100.00%
Totals:	\$ 25,965,000	\$ 4,815,402	\$ 30,780,402	

Status of Short-Term Indebtedness

<u>Type</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
BAN	7/30/2024	6/26/2025	4.25%	\$21,500,000*

*To be paid in full with a portion of the proceeds of the Notes and \$535,000 available funds.

Cash Flow Borrowings

The District currently does not have a revenue or tax anticipation note outstanding.

Capital Project Plans

On May 21, 2019, the qualified voters of the District approved a capital project in the amount of \$30,000,000 for the construction of alterations and improvements to District buildings and sites. The District issued a \$10,000,000 Bond Anticipation Note on September 2, 2020. That was the first borrowing against said authorization. The District issued a \$14,085,000 Bond Anticipation Note on June 28, 2021. The proceeds of that note redeemed the \$10,000,000 BAN that matured on June 29, 2021, and provided new money for the aforementioned purpose. The proceeds of the \$21,015,000 Note issued June 27, 2022, along with \$645,000 in available district funds, redeemed the outstanding \$14,085,000 Bond Anticipation Notes maturing June 28, 2022, and provided \$7,575,000 in new money for the aforementioned purpose. On May 31, 2023 the District issued a \$17,735,000 serial bond which provided permanent financing for this project.

On November 22, 2022, the qualified voters of the District approved a capital project in the amount of \$59,000,000 for the construction of improvements and alterations to various district buildings and/or sites and the construction of a storage building at the HS/ETMS/BG campus. Included in this project is the renovation of the current high school auditorium allowing for an increase in seating, nearly doubling the occupancy. Construction on the \$59,000,000 Capital Project began in Spring 2023. The district will be using \$12,180,000 in Capital Reserve

Funds. The Notes are being issued pursuant to this authorization. The District issued a \$21,500,000 Bond Anticipation Note on July 30, 2024. The proceeds of these Notes, together with \$535,000 available funds, will renew and redeem the maturing Notes and will provide \$14,250,000 in new money for the aforementioned purpose.

Capital Lease Obligations

The District has entered into an Energy Performance Contract to complete necessary energy improvements in many of the District buildings. The total principal amount of the lease was \$2,478,271 and was issued at a rate of 3.125%. Payments are due April 23 and October 23. The District anticipates receiving approximately 67.49% of the cost in State Aid with the remaining amount being paid by the energy cost savings. The remaining payments under this agreement are as follows:

<u>Year Ending June 30th</u>	<u>Principal Due 10/23</u>	<u>Principal Due 4/23</u>	<u>Interest Due 10/23</u>	<u>Interest Due 4/23</u>	<u>Total</u>
2025	\$74,021	\$75,178	\$30,088	\$28,932	\$208,220
2026	76,353	77,546	27,757	26,564	\$208,220
2027	78,757	79,988	25,353	24,122	\$208,220
2028	81,238	82,507	22,872	21,603	\$208,220
2029	83,796	85,105	20,314	19,004	\$208,220
2030	86,435	87,786	17,675	16,324	\$208,220
2031	89,157	90,551	14,952	13,559	\$208,220
2032	91,965	93,402	12,144	10,707	\$208,220
2033	94,862	96,344	9,248	7,766	\$208,220
2034	97,849	99,378	6,260	4,732	\$208,220
2035	100,931	102,508	3,179	1,602	\$208,220
Total	\$955,365	\$970,293	\$189,842	\$174,915	\$2,290,415

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 77.0%.

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

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates; however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 28, 2025

<u>Town</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Taxable Full Valuation</u>
Town of Niagara	\$ 281,073,143	33.00%	\$ 851,736,797
Town of Wheatfield	747,750,148	38.00%	1,967,763,547
Town of Lewiston	124,696,107	43.00%	289,990,947
Town of Cambria	44,874,658	100.00%	44,874,658
Total			<u>\$ 3,154,365,949</u>
Debt Limit: 10% of Full Valuation			\$ 315,436,595
Inclusions:			
Serial Bonds			\$ 24,580,000
Bond Anticipation Notes			21,500,000
Total Inclusions:			<u>\$ 46,080,000</u>
Exclusions:			
Building Aid Estimate	¹		<u>\$0</u>
Total Exclusions:			<u>\$0</u>
Total Net Indebtedness Before Giving Effect to This Issue:			\$ 46,080,000
New Monies This Issue:			<u>14,250,000</u>
Total Net Indebtedness			\$ 60,330,000
Net Debt Contracting Margin			\$ 255,106,595
Percentage of Debt-Contracting Power Exhausted			19.13%

Notes: 1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u>	¹	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Niagara County	\$ 3,154,365,949						
	\$ 16,013,823,855	19.70%	\$ 60,015,500		N/A	\$ 60,015,500	\$ 11,821,714
Town of Niagara	\$ 851,736,797						
	\$ 851,736,797	100.00%	\$ 4,385,000		N/A	\$ 4,385,000	\$ 4,385,000
Town of Wheatfield	\$ 1,967,763,547						
	\$ 1,967,763,547	100.00%	\$ 2,251,620		N/A	\$ 2,251,620	\$ 2,251,620
Town of Lewiston	\$ 289,990,947						
	\$ 1,677,241,762	17.29%	\$ 14,190,000		N/A	\$ 14,190,000	\$ 2,453,416
Town of Cambria	\$ 44,874,658						
	\$ 658,951,541	6.81%	\$ 961,600	²	N/A	\$ 961,600	\$ 65,485
Total							<u>\$ 20,977,235</u>

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2023.

Notes: 1 Bonds and Bond Anticipation notes as of 2023 fiscal year. Not adjusted to include subsequent bond and note sales.

2 Bonds and Bond Anticipation Notes as of 2022 fiscal year. Town did not file in the 2023 fiscal year.

N/A Information not available from source document

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 28 2025:

	Amount	Per Capita ^(a)	Percentage of Full Value ^(b)
Net Indebtedness	\$ 60,330,000	\$ 2,281.08	1.913%
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 81,307,235	\$ 3,074.23	2.578%

(a) The District's estimated population is 26,448. (Source: 2023 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2024-25 is \$3,154,365,949.

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

TAX MATTERS

Opinion of Bond Counsel

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

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

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

Certain Ongoing Federal Tax Requirements and Certifications

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

Certain Collateral Federal Tax Consequences

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

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on

which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

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

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

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

Note Premium

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

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold

a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

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

Miscellaneous

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

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

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Hawkins Delafield and Wood LLP, Bond Counsel to the School District, such opinion to be delivered with the Notes. The proposed form of such opinion is attached hereto as Appendix C.

CONTINUING DISCLOSURE COMPLIANCE

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the “Rule”), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide Continuing Disclosure, the description of which is attached hereto as “Appendix D”.

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

LITIGATION

The School District is subject to a number of lawsuits in the ordinary conduct of its affairs. The School District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the School District.

Gordon v. Niagara Wheatfield Central School District: This federal court lawsuit was filed in the United States District Court for the Western District of New York on March 2, 2022. The plaintiff alleges that the District was deliberately indifferent to a pattern of sexual harassment, bullying and sexual violence perpetrated against her by other students between approximately September 2018 and June 2019. The plaintiff alleges the District’s indifference deprived her of her right to an education, educational opportunities, and associated benefits, and constitutes discrimination on the basis of sex in violation of Title IX of the Education Amendments of 1972. On October 16, 2023, Plaintiff filed a First Amended Complaint asserting (1) Title IX claims against the District and the School Board; (2) Equal Protection Section 1983 claims against the District and the School Board, under Monell, as well as against defendants Mann, Graber, White, and Ljiljanich in their personal capacities; (3) First Amendment Section 1983 claims against the District and the School Board, under Monell, as well as against defendant Mann in his personal capacity; and (4) procedural due process claims against the District, the School Board, and defendant Mann in his personal capacity. Since that time, the parties have engaged in paper discovery and are working to schedule

Plaintiff's deposition in the coming months. We recently requested Plaintiff supplement her discovery responses to address deficiencies in the responses, specifically due to Plaintiff's failure to specify her damages. At this time, prior completion of discovery, it is premature to provide an opinion on the likelihood of an unfavorable outcome, or to provide the amount or range of potential loss. Additionally, although there may be reservation of rights letters that have been issued, the foregoing matter appears to be covered by the District's insurance policy with the New York Schools Insurance Reciprocal; therefore, it does not appear there is any significant exposure to the District.

The District has intervened as a respondent in the following Petitions for Review of Tax Assessment pursuant to Article 7 of the Real Property Tax Law:

- ***2600 Niagara Falls Boulevard LLC and 100 Crestwood Court, LLC v. The Town of Wheatfield***, et al.: Petitioners seeks to reduce the assessment for the nursing home property at 2600 Niagara Falls Boulevard from \$3,450,000.00 to \$1,560,000.00 and the assessment for the assisted living property at 100 Crestwood Court (a/k/a 6910 Witmer Road) from \$4,000,000.00 to \$1,560,000.00. The parties have engaged in settlement discussions with the District's position being that any settlement must result in no monetary tax refunds to the Petitioner. The petitioner has requested refunds for some of the four years of tax challenges that are part of this litigation. The District has worked with the County and Town to hire an appraiser to better value the property. The parties are reviewing their respective appraisals and awaiting more information. Therefore, it is premature to provide an opinion on the likelihood of an unfavorable outcome.

BOND RATING

The Notes are issued as non-rated. The most recent underlying rating assigned to the School District by Moody's Investor Service is an Aa3 rating which was assigned to the \$17,735,000 School District Serial Bonds dated March 31, 2023

A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating of the District's outstanding serial bonds may have an adverse effect on the market price of the bonds.

MUNICIPAL ADVISOR

R.G. Timbs, Inc. is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

CUSIP IDENTIFICATION NUMBERS

If the Notes are issued in registered book-entry form, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, that the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MISCELLANEOUS

The execution and delivery of this Official Statement have been duly authorized by the Board of Education of the School District. Concurrently with the delivery of the Notes, the School District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the School District is not guaranteed as to accuracy, completeness or fairness, the School District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the School District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the School District and no material adverse changes in the general affairs of the School District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the School District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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

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

The School District's contact information is as follows: Dr. Allison Davis, Assistant Superintendent of Finance and Management, phone: (716) 215-3024; email: adavis@nwcsd.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 or at www.RGTimbsInc.net.

Niagara Wheatfield Central School District

Dated: May 28, 2025
Niagara, New York

Jason Myers
President of Board of Education
and Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

	Budget					
Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Beginning Fund Balance - July 1	\$20,956,627	\$15,411,580	\$30,839,649	\$34,679,556	\$22,894,608	\$27,188,704 ^E
<u>Revenues:</u>						
Real Property Taxes	\$35,333,595	\$35,838,150	\$36,490,821	\$37,097,344	\$38,168,324	\$37,266,554
Other Tax Items	0	0	0	0	0	1,855,397
Charges for Services	2,261,854	2,355,483	1,208,986	1,615,769	2,467,906	2,432,000
Use of Money & Property	198,877	12,106	17,190	528,818	1,300,166	804,000
Fines and Forfeitures	0	0	0	0	70,587	0
Sale of Property/Comp. for Loss	218,147	328,116	177,505	139,833	195,518	150,500
Miscellaneous	621,930	973,367	695,853	1,096,292	913,003	861,851
State Aid	33,420,968	49,773,925	40,388,469	39,616,309	42,243,272	43,908,765
Federal Aid	760,956	743,117	1,264,256	836,165	1,210,893	1,000,000
Interfund Transfer	<u>906,238</u>	<u>440,195</u>	<u>726,260</u>	<u>409,452</u>	<u>87,309</u>	<u>0</u>
Total Revenues	\$73,722,565	\$90,464,459	\$80,969,340	\$81,339,982	\$86,656,978	\$88,279,067
<u>Expenditures:</u>						
General Support	\$7,583,877	\$7,206,497	\$7,666,434	\$7,441,245	\$7,768,736	\$10,438,720
Instruction	38,222,035	40,253,986	41,938,314	44,350,166	45,208,703	50,356,201
Transportation	4,222,557	3,852,126	4,528,841	4,651,980	5,099,600	5,380,899
Community Services	0	0	0	0	0	60,800
Employee Benefits	16,231,100	16,760,662	16,613,326	17,718,959	18,107,660	20,680,941
Debt Service	0	0	30,176	50,535	52,599	0
Interfund Transfer	<u>13,008,043</u>	<u>6,963,119</u>	<u>6,352,342</u>	<u>18,912,045</u>	<u>6,125,584</u>	<u>6,281,972</u>
Total Expenditures	\$79,267,612	\$75,036,390	\$77,129,433	\$93,124,930	\$82,362,882	\$93,199,533
Adjustments	0	0	0	0	0	0
Year End Fund Balance	\$15,411,580	\$30,839,649	\$34,679,556	\$22,894,608	\$27,188,704 ^E	\$22,268,238 ^E
Excess (Deficit) Revenues Over Expenditures	(\$5,545,047)	\$15,428,069	\$3,839,907	(\$11,784,948)	\$4,294,096 ¹	(\$4,920,466) ¹

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note: 1. Appropriated fund balance and reserves planned to be used.

E. Estimated

General Fund – Budget Summary

2025-26 Adopted Budget

Revenues:

Real Property Taxes & STAR	\$37,506,700
Other Tax Items	2,006,741
Charges for Services	1,915,000
Use of Money & Property	851,900
Sale of Property	150,500
Miscellaneous	591,500
State Aid	41,540,314
Federal Aid	225,000
Interfund Transfers	800,000
Appropriated Fund Balance	<u>5,512,042</u>
Total Revenues	\$91,099,697

Expenditures:

General Support	\$9,545,058
Instruction	48,567,751
Transportation	6,385,389
Community Service	8,000
Employee Benefits	18,749,567
Debt Service	0
Interfund Transfers	<u>7,843,932</u>
Total Expenditures	\$91,099,697

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assets:					
Cash and Cash Equivalents	\$6,119,652	\$10,022,972	\$4,165,159	\$4,875,054	\$6,896,264
Restricted Cash and Cash Equivalents	9,006,753	18,755,571	28,058,866	15,767,524	18,315,727
Accounts Receivable	1,201	0	203,183	89,632	86,592
Intergovernmental receivables - Tuscarora	0	439,844	413,009	696,129	533,292
Due from Other Funds	1,711,382	3,994,272	3,923,823	4,214,356	3,410,482
Due from Other Governments	<u>15,060,386</u>	<u>2,789,498</u>	<u>3,220,810</u>	<u>4,225,942</u>	<u>4,018,652</u>
Total Assets	<u>\$31,899,374</u>	<u>\$36,002,157</u>	<u>\$39,984,850</u>	<u>\$29,868,637</u>	<u>\$33,261,009</u>
Liabilities:					
Accounts Payable	\$121,491	\$41,552	\$16,303	\$19,370	\$15,841
Accrued Liabilities	256,972	888,498	920,154	925,244	581,432
Due to Other Funds	363,127	0	196,591	1,212,715	370,756
Due Retirement System	2,697,382	3,001,417	3,214,974	3,573,015	3,442,943
Deferred Revenue	<u>0</u>	<u>460,437</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities:	<u>\$3,438,972</u>	<u>\$4,391,904</u>	<u>\$4,348,022</u>	<u>\$5,730,344</u>	<u>\$4,410,972</u>
Deferred Inflows of Resources:					
State Aid Receivable	\$13,048,822	\$770,604	\$957,272	\$1,243,685	\$1,661,333
Fund Balances:					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	\$8,998,939	\$18,027,307	\$28,073,417	\$15,792,918	\$18,158,751
Assigned	3,327,858	9,770,697	3,413,094	3,722,877	5,547,065
Unassigned	<u>3,084,783</u>	<u>3,041,645</u>	<u>3,193,045</u>	<u>3,378,813</u>	<u>3,482,888</u>
Total Fund Balance	<u>\$15,411,580</u>	<u>\$30,839,649</u>	<u>\$34,679,556</u>	<u>\$22,894,608</u>	<u>\$27,188,704</u>
Total Liabilities and Fund Balance	<u>\$31,899,374</u>	<u>\$36,002,157</u>	<u>\$39,984,850</u>	<u>\$29,868,637</u>	<u>\$33,261,009</u>

Source: Audited Annual Financial Reports. This table not audited.

APPENDIX B

Audited Financial Statements For The Fiscal Year Ended June 30, 2024

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained.

**NIAGARA WHEATFIELD CENTRAL
SCHOOL DISTRICT, NEW YORK**

*Basic Financial Statements, Required Supplementary
Information, Supplementary Information, Other
Information, and Federal
Awards Information for the Year Ended
June 30, 2024 and Independent Auditors' Reports*

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
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DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



INDEPENDENT AUDITORS' REPORT

The Board of Education
Niagara Wheatfield Central School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niagara Wheatfield Central School District, New York (the "District"), as of and for the year ended June 30, 2024, 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 the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position thereof 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* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

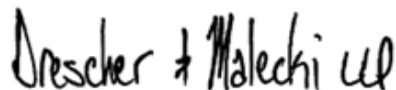
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Funds Balances (Deficit) of the General Fund and Tuscarora Indian Education Fund but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



October 2, 2024

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis

Year Ended June 30, 2024

As management of the Niagara Wheatfield Central School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$127,601,372 (*net position*). This consists of \$89,690,327 net investment in capital assets, \$25,935,042 restricted for specific purposes and unrestricted net position of \$11,958,003.
- The District's net position increased by \$8,512,270 during the year ended June 30, 2024.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$43,409,729, an increase of \$1,859,073 in comparison with prior year's fund balance of \$41,550,656.
- At the end of the current fiscal year, *unassigned fund balance* for the Combined General Fund was \$3,482,888, or 4.2 percent of total Combined General Fund expenditures and transfers out. This total amount is *available for spending* at the District's discretion and constitutes approximately 12.8 percent of the Combined General Fund's total fund balance of \$27,188,704 at June 30, 2024.
- The District's total bonded indebtedness decreased by \$4,600,000 as a result of scheduled principal payments made.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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.

The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District'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*. Thus, revenues and expenses are

reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general support, instruction, pupil transportation, school food service, student activities, and interest and other fiscal charges. The District does not engage in any business-type activities.

The government-wide financial statements can be found on pages 12-13 of this report.

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 of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental 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 a government'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 seven individual governmental funds. 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 Combined General Fund, which includes the presentation of the Tuscarora Indian Education Fund, Special Aid Fund, School Lunch Fund, Special Revenue Fund, Student Activities Fund, Capital Projects Fund and Debt Service Fund, which are considered major funds.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The District maintains one fiduciary fund, the Custodial Fund.

The fiduciary fund statements can be found on pages 18 and 19 of this report.

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 on pages 20-48 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District’s net pension liabilities/(assets), the changes in the District’s total other postemployment benefits (“OPEB”) obligation, and the District’s budgetary comparison for the General Fund. Required Supplementary Information and the related notes to the required supplementary information can be found on pages 49-56 of this report.

The Supplementary Information section presents the District’s General Fund—Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit, Schedule of Capital Project Expenditures, and the District’s Net Investment in Capital Asset. The Supplementary Information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 57-59.

The Other Information section presents the Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) for the General Fund and the Tuscarora Indian Education Fund. The Other Information is presented immediately following the Supplementary Information section of this report on pages 60-61.

The Federal Awards Information section presents the District’s Schedule of Expenditures of Federal Awards. This section can be found on pages 62-71 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as useful indicator of the District’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$127,601,372 at June 30, 2024 as compared to \$119,089,102 at the close of the fiscal year ended June 30, 2023.

Table 1, shown below, presents the condensed statements of net position of the District at June 30, 2024 and June 30, 2023.

Table 1—Condensed Statements of Net Position

	June 30,	
	2024	2023
Current assets	\$ 49,771,843	\$ 48,685,720
Noncurrent assets	118,737,884	115,043,703
Total assets	<u>168,509,727</u>	<u>163,729,423</u>
Deferred outflows of resources	19,813,516	24,726,003
Current liabilities	4,825,586	6,044,452
Noncurrent liabilities	46,067,819	53,306,049
Total liabilities	<u>50,893,405</u>	<u>59,350,501</u>
Deferred inflows of resources	9,828,466	10,015,823
Net position:		
Net investment in capital assets	89,690,327	80,810,609
Restricted	25,953,042	27,519,914
Unrestricted	11,958,003	10,758,579
Total net position	<u>\$ 127,601,372</u>	<u>\$ 119,089,102</u>

The largest portion of the District's net position, \$89,690,327, reflects its investment in capital and right-to-use leased assets (e.g. land, construction in progress, buildings and improvements, land improvements, furniture, equipment, and vehicles, and right-to-use leased assets, net of accumulated depreciation/amortization), less any related outstanding debt used to acquire those assets. The District uses these capital and right-to-use leased assets to provide a variety of services to students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest portion of the District's net position, \$25,953,042, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of the District's net position, \$11,958,003, is considered unrestricted and represents resources that may be used to meet District's ongoing operations.

Table 2, as presented below, shows the changes in net position for the years ended June 30, 2024 and June 30, 2023:

Table 2—Condensed Statements of Changes in Net Position

	Year Ended June 30,	
	2024	2023
Program revenues:		
Charges for services	\$ 2,978,122	\$ 2,184,155
Operating and capital grants and contributions	17,291,199	17,430,201
Capital grants and contributions	1,145,956	-
General revenues	<u>77,163,323</u>	<u>71,434,219</u>
Total revenues	<u>98,578,600</u>	<u>91,048,575</u>
Program expenses	<u>90,066,330</u>	<u>86,044,587</u>
Change in net position	8,512,270	5,003,988
Net position—beginning	<u>119,089,102</u>	<u>114,085,114</u>
Net position—ending	<u>\$ 127,601,372</u>	<u>\$ 119,089,102</u>

Overall revenues increased by 8.3 percent due primarily to increases in unrestricted state sources and Greenway funds reported as miscellaneous revenue. Total expenses increased by 4.7 percent from the year ended June 30, 2023 primarily due to an increase in allocable employee benefit expenses related to the District's net pension liability/(asset).

A summary of sources of revenues for the years ended June 30, 2024 and June 30, 2023 is presented in Table 3 on the following page.

Table 3—Summary of Sources of Revenues

	Year ended June 30,		Increase/(Decrease)	
	2024	2023	Dollars	Percent
Charges for services	\$ 2,978,122	\$ 2,184,155	\$ 793,967	36.4
Operating grants and contributions	17,291,199	17,367,974	(76,775)	(0.4)
Capital grants and contributions	1,145,956	62,227	1,083,729	1,741.6
Real property taxes and other tax items	38,168,324	37,097,344	1,070,980	2.9
Use of money and property	1,492,215	763,328	728,887	95.5
Sale of property and compensation for loss	195,518	139,833	55,685	39.8
State sources—unrestricted	33,541,415	31,458,540	2,082,875	6.6
Miscellaneous	3,765,851	1,975,174	1,790,677	90.7
Total revenues	<u>\$ 98,578,600</u>	<u>\$ 91,048,575</u>	<u>\$ 7,530,025</u>	8.3

The most significant sources of revenue for the year ended June 30, 2024 were real property taxes and other tax items of \$38,168,324, or 38.7 percent of total revenues and unrestricted State sources of \$33,541,415, or 34.0 percent of total revenues. Similarly, for the year ended June 30, 2023 significant sources of revenue were real property taxes and other tax items of \$37,097,344, or 40.7 percent of total revenues and unrestricted State sources of \$31,458,540, or 34.6 percent of total revenues.

A summary of program expenses for the years ended June 30, 2024 and June 30, 2023 is presented below in Table 4:

Table 4—Summary of Program Expenses

	Year ended June 30,		Increase/(Decrease)	
	2024	2023	Dollars	Percent
General support	\$ 10,847,092	\$ 10,522,656	\$ 324,436	3.1
Instruction	69,107,965	66,745,273	2,362,692	3.5
Pupil transportation	7,186,743	6,023,891	1,162,852	19.3
School food service	1,785,919	1,464,905	321,014	21.9
Student activities	171,260	168,866	2,394	1.4
Interest and other fiscal charges	967,351	1,118,996	(151,645)	(13.6)
Total program expenses	<u>\$ 90,066,330</u>	<u>\$ 86,044,587</u>	<u>\$ 4,021,743</u>	4.7

The most significant expense items for the year ended June 30, 2024 were instruction of \$69,107,965, or 76.7 percent of total expenses, general support of \$10,847,092, or 12.0 percent of total expenses, and pupil transportation of \$7,186,743, or 8.0 percent of total expenditures. Similarly, for the year ended June 30, 2023 significant expense items were instruction of \$66,745,273, or 77.6 percent of total expenses, general support of \$10,522,656, or 12.2 percent of total expenses, and pupil transportation of \$6,023,891, or 7.0 percent of total expenditures

Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the District’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, *unassigned fund balance* and *fund balance assigned to*

specific use may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of Education.

As of June 30, 2024, the District's governmental funds reported combined ending fund balances of \$43,409,729, an increase of \$1,859,073 from the prior year. Approximately 8.0 percent, or \$3,482,888, of this amount constitutes *unassigned fund balance* which is available for spending at the District's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is: (1) not in spendable form, \$6,769, (2) restricted for particular purposes, \$26,710,397, or (3) assigned for particular purposes, \$13,209,675.

The Combined General Fund is the chief operating fund of the District. The Combined General Fund includes the General Fund of the Tuscarora School. At the end of the current fiscal year, unassigned fund balance of the Combined General Fund was \$3,482,888, while the total fund balance increased to \$27,188,704. As a measure of the Combined General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total Combined General Fund expenditures and transfers out. Unassigned fund balance represents approximately 4.2 percent of total Combined General Fund expenditures and transfers out, while total fund balance represents approximately 33.0 percent of that same amount.

Excluding the General Fund of the Tuscarora School, the total fund balance of the District's General Fund increased by \$4,132,481 during the current fiscal year. This increase was due to favorable state aid and increased interest earnings, coupled by less than expected spending on instructional costs and employee benefits.

Special Aid Fund expenditures for the year ended June 30, 2024 amounted to \$5,263,830 supported mainly by State and Federal Aid. Instruction expenditures decreased in the current year based on the amount of federal aid received. During the year ending June 30, 2024, the General Fund transferred \$169,852 to the Special Aid Fund to cover additional program costs.

The School Lunch Fund total fund balance is \$766,637, as of June 30, 2024, of which \$6,769 is considered nonspendable and \$759,868 is assigned for specific use. The fund balance of the District's School Lunch Fund increased by \$97,243 in the current fiscal year due to revenues and transfers in exceeding costs of sales and employee benefits.

The Special Revenue fund reports a fund balance of \$6,902,742, an increase of \$730,946 from the prior year. The total fund balance is assigned for specific use. The increase in fund balance is due to the recognition of Host Community Funds revenues.

The Student Activities Fund reports a fund balance of \$106,943 at June 30, 2024, a decrease of \$499 from the prior year. This total fund balance amount is classified as restricted fund balance for the future payment of extraclassroom activities on behalf of the students.

At June 30, 2024, the District's Capital Projects Fund reports a fund balance of \$5,015,737, a decrease of \$5,418,106 from the prior year due to capital outlay costs and transfers out exceeding revenues.

At June 30, 2024, the District's Debt Service Fund reports a fund balance of \$3,428,966, an increase of \$2,155,393 from the prior year due to transfers in and revenues exceeding expenditures. Revenues increased from the prior year due to the District receiving an increase of Greenway project funds (\$2,108,786). This total fund balance is classified as restricted for future debt service payments.

General Fund Budgetary Highlights

The District's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the District has appropriately assigned an equal amount of fund balance at year-end for this purpose. A summary of revisions from adopted budget to final budget is presented below in Table 5:

Table 5—General Fund Budget

Adopted budget 2023-2024	\$ 84,470,329
Add: Prior year's encumbrances	<u>1,033,844</u>
Original budget 2023-2024	<u>85,504,173</u>
Final budget 2023-2024	<u>\$ 85,504,173</u>

More detailed information about the District's General Fund budget is presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget (Non-GAAP Basis) and Actual—General Fund within the Required Supplementary Information section of this report.

Capital and Right-to-Use Leased Assets and Debt Administration

Capital and right-to-use leased assets—The District's investment in capital and right-to-use leased assets for its governmental activities as of June 30, 2024, amounted to \$118,737,884 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture, equipment and vehicles, and right-to-use leased assets.

All depreciable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the District's capital asset policy.

Capital and right-to-use assets, net of depreciation/amortization for the governmental activities at the years ended June 30, 2024 and June 30, 2023 are presented below in Table 6:

Table 6—Summary of Capital Assets (Net of Accumulated Depreciation/Amortization)

	June 30,	
	2024	2023
Land	\$ 849,415	\$ 849,415
Construction in progress	6,924,571	6,411,722
Buildings and improvements	104,568,578	101,446,330
Land improvements	1,253,277	1,334,524
Furniture, equipment and vehicles	4,131,773	3,915,768
Right-to-use leased assets	<u>1,010,270</u>	<u>1,085,944</u>
Total	<u>\$ 118,737,884</u>	<u>\$ 115,043,703</u>

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term liabilities—At June 30, 2024, the District had serial bonds outstanding of \$25,965,000, as compared to \$30,565,000 in the prior year. During the year ended June 30, 2024, the District made scheduled principal payments of \$4,600,000.

A summary of the District’s long-term liabilities at June 30, 2024 and June 30, 2023 is presented below in Table 7:

Table 7—Summary of Long-Term Liabilities

	June 30,	
	2024	2023
Serial bonds	\$ 25,965,000	\$ 30,565,000
Premium on serial bonds	1,383,856	1,538,392
Bonds payable, net	27,348,856	32,103,392
Energy performance contract	1,925,658	2,070,302
Lease liability	98,494	151,093
Retirement incentive payable	560,000	-
Compensated absences	7,214,423	7,211,627
Workers' compensation	1,935,917	2,081,967
Other postemployment benefits obligation	1,659,772	1,489,564
Net pension liability	5,324,699	8,198,104
Total	<u>\$ 46,067,819</u>	<u>\$ 53,306,049</u>

Additional information on the District’s long-term liabilities can be found in Note 10 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate, not seasonally adjusted, for the region at June 30, 2024 was 3.9 percent. This compares to New York State’s average unemployment rate of 4.2 percent. These factors are considered in preparing the District’s budget.

During the current fiscal year, the District appropriated \$2,189,033 of the General Fund’s fund balance for spending in the District’s 2024-2025 fiscal year budget. The 2024-2025 adopted budget appropriations total of \$87,072,229 is an approximate increase of 3.1 percent as compared to \$84,470,329 in 2023-2024. The District’s total budgeted tax levy, including the amount for School Tax Assessment Relief (“STAR”), in 2024-2025 is \$37,266,554, which is an approximate increase of 3.0 percent as compared to \$36,184,633 levied during the 2023-2024 year.

Requests for Information

This financial report is designed to provide our community, taxpayers, creditors and investors with a general overview of the District’s finances and to show the District’s accountability. If you have any questions about this report or need additional financial information, contact Mrs. Allison Davis, District Business Manager, Niagara Wheatfield Central School District, 5700 West Street, Sanborn, NY 14132

BASIC FINANCIAL STATEMENTS

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Net Position
June 30, 2024

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 15,296,966
Restricted cash and cash equivalents	27,562,053
Receivables	86,592
Intergovernmental receivables	6,819,463
Inventories	6,769
Capital and right-to-use leased assets not being depreciated	7,773,986
Capital and right-to-use leased assets, net of accumulated depreciation/amortization	110,963,898
Total assets	<u>168,509,727</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	15,804,788
Deferred outflows—relating to OPEB	4,006,380
Deferred charges on debt refunding	2,348
Total deferred outflows of resources	<u>19,813,516</u>
LIABILITIES	
Accounts payable	450,093
Accrued liabilities	732,862
Due to the Custodial Fund	140,000
Intergovernmental payables	1,272
Due to retirement systems	3,442,943
Unearned revenue	58,416
Noncurrent liabilities:	
Due within one year	4,874,460
Due within more than one year	41,193,359
Total liabilities	<u>50,893,405</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	3,064,571
Deferred inflows—relating to OPEB	6,763,895
Total deferred inflows of resources	<u>9,828,466</u>
NET POSITION	
Net investment in capital assets	89,690,327
Restricted:	
Workers' compensation	1,545,411
Employee benefits	1,405,110
Retirement contribution	3,493,745
Capital projects	9,942,237
Transportation	6,114,635
Tax certiorari	369,553
Unemployment	157,984
Tuscarora School	145,813
Student activities	106,943
Debt service	2,671,611
Unrestricted	11,958,003
Total net position	<u>\$ 127,601,372</u>

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
Year Ended June 30, 2024

Function/Program	Expense	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Governmental activities:					
General support	\$ 10,847,092	\$ 70,587	\$ 1,919,970	\$ -	\$ (8,856,535)
Instruction	69,107,965	2,467,906	12,232,330	1,145,956	(53,261,773)
Pupil transportation	7,186,743	-	1,272,076	-	(5,914,667)
School food service	1,785,919	268,868	1,866,823	-	349,772
Student activities	171,260	170,761	-	-	(499)
Interest and other fiscal charges	967,351	-	-	-	(967,351)
Total primary government	<u>\$ 90,066,330</u>	<u>\$ 2,978,122</u>	<u>\$ 17,291,199</u>	<u>\$ 1,145,956</u>	<u>(68,651,053)</u>
General revenues:					
Real property taxes and other tax items					38,168,324
Use of money and property					1,492,215
Sale of property and compensation for loss					195,518
State sources—unrestricted					33,541,415
Miscellaneous					<u>3,765,851</u>
Total general revenues					<u>77,163,323</u>
Change in net position					8,512,270
Net position—beginning					<u>119,089,102</u>
Net position—ending					<u>\$ 127,601,372</u>

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Balance Sheet—Governmental Funds
June 30, 2024

		Special Revenue						Total
	Combined General	Special Aid	School Lunch	Special Revenue	Student Activities	Capital Projects	Debt Service	Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 6,896,264	\$ 717,095	\$ 768,556	\$ 6,915,051	\$ -	\$ -	\$ -	\$ 15,296,966
Restricted cash and cash equivalents	18,315,727	44,054	14,362	-	106,943	5,652,001	3,428,966	27,562,053
Receivables	86,592	-	-	-	-	-	-	86,592
Due from other funds	3,410,482	176,722	-	-	-	65,718	-	3,652,922
Intergovernmental receivables	4,018,652	2,154,281	113,238	-	-	-	-	6,286,171
Restricted intergovernmental receivables—Tuscarora	533,292	-	-	-	-	-	-	533,292
Inventories	-	-	6,769	-	-	-	-	6,769
Total assets	<u>\$ 33,261,009</u>	<u>\$ 3,092,152</u>	<u>\$ 902,925</u>	<u>\$ 6,915,051</u>	<u>\$ 106,943</u>	<u>\$ 5,717,719</u>	<u>\$ 3,428,966</u>	<u>\$ 53,424,765</u>
LIABILITIES								
Accounts payable	\$ 15,841	\$ -	\$ -	\$ -	\$ -	\$ 434,252	\$ -	\$ 450,093
Accrued liabilities	581,432	9,927	16,698	-	-	-	-	608,057
Due to other funds	370,756	3,036,912	105,215	12,309	-	267,730	-	3,792,922
Due to retirement systems	3,442,943	-	-	-	-	-	-	3,442,943
Intergovernmental payables	-	1,259	13	-	-	-	-	1,272
Unearned revenue	-	44,054	14,362	-	-	-	-	58,416
Total liabilities	<u>4,410,972</u>	<u>3,092,152</u>	<u>136,288</u>	<u>12,309</u>	<u>-</u>	<u>701,982</u>	<u>-</u>	<u>8,353,703</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues—State aid receivable	<u>1,661,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,661,333</u>
Total deferred inflows of resources	<u>1,661,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,661,333</u>
FUND BALANCES								
Nonspendable	-	-	6,769	-	-	-	-	6,769
Restricted	18,158,751	-	-	-	106,943	5,015,737	3,428,966	26,710,397
Assigned	5,547,065	-	759,868	6,902,742	-	-	-	13,209,675
Unassigned	<u>3,482,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,482,888</u>
Total fund balances	<u>27,188,704</u>	<u>-</u>	<u>766,637</u>	<u>6,902,742</u>	<u>106,943</u>	<u>5,015,737</u>	<u>3,428,966</u>	<u>43,409,729</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,261,009</u>	<u>\$ 3,092,152</u>	<u>\$ 902,925</u>	<u>\$ 6,915,051</u>	<u>\$ 106,943</u>	<u>\$ 5,717,719</u>	<u>\$ 3,428,966</u>	<u>\$ 53,424,765</u>

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of net position (page 12) are different because:

Total fund balances—governmental funds (page 14)	\$	43,409,729
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$167,883,036 and the accumulated depreciation/amortization is \$49,145,152.		118,737,884
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For refunding bonds, the difference between the reacquisition price and the net carrying amount of the refunded debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide financial statements.		2,348
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:

Deferred outflows related to employer contributions	\$	3,266,970	
Deferred outflows related to experience, changes in assumptions, proportion, and investment earnings		12,537,818	
Deferred inflows of resources related to pension plans		<u>(3,064,571)</u>	12,740,217

Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the fund statements:

Deferred outflows related to benefit payments	\$	4,006,380	
Deferred inflows related to experience and changes of assumptions		<u>(6,763,895)</u>	(2,757,515)

Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as deferred inflows of resources in the fund statements but are considered government-wide revenues:

Tuscarora Indian School operations	\$	533,292	
Tuscarora tuition reimbursement		<u>1,128,041</u>	1,661,333

Net accrued interest expense for serial bonds is not reported in the fund statements.		(124,805)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:

Serial bonds	\$	(25,965,000)	
Premiums on serial bonds		(1,383,856)	
Energy performance contract		(1,925,658)	
Lease liability		(98,494)	
Retirement incentive payable		(560,000)	
Compensated absences		(7,214,423)	
Workers' compensation		(1,935,917)	
Other postemployment benefits obligation		(1,659,772)	
Net pension liability		<u>(5,324,699)</u>	<u>(46,067,819)</u>

Net position of governmental activities	\$	<u>127,601,372</u>
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The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds
Year Ended June 30, 2024

		Special Revenue						Total
	Combined General	Special Aid	School Lunch	Special Revenue	Student Activities	Capital Projects	Debt Service	Governmental Funds
REVENUES								
Real property taxes and other tax items	\$ 38,168,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,168,324
Charges for services	2,467,906	-	-	-	-	-	-	2,467,906
Use of money and property	1,300,166	-	2,186	143,255	-	-	46,608	1,492,215
Fines and forfeitures	70,587	-	-	-	-	-	-	70,587
Sale of property and compensation for loss	195,518	-	-	-	-	-	-	195,518
Miscellaneous	913,003	-	12,335	731,727	-	-	2,108,786	3,765,851
State sources	42,243,272	1,550,193	611,612	-	-	1,145,956	-	45,551,033
Federal sources	1,210,893	3,543,785	1,255,211	-	-	-	-	6,009,889
Sales - food service	-	-	268,868	-	-	-	-	268,868
Student activity collections	-	-	-	-	170,761	-	-	170,761
Total revenues	<u>86,569,669</u>	<u>5,093,978</u>	<u>2,150,212</u>	<u>874,982</u>	<u>170,761</u>	<u>1,145,956</u>	<u>2,155,394</u>	<u>98,160,952</u>
EXPENDITURES								
Current:								
General support	7,768,736	80,203	-	-	-	-	-	7,848,939
Instruction	45,208,703	4,554,065	-	131,727	-	-	-	49,894,495
Pupil transportation	5,099,600	190,558	-	-	-	-	-	5,290,158
Employee benefits	18,107,660	439,004	329,467	-	-	-	-	18,876,131
Cost of sales (school lunch)	-	-	1,785,919	-	-	-	-	1,785,919
Student activities	-	-	-	-	171,260	-	-	171,260
Debt service:								
Principal	52,599	-	-	-	-	-	4,744,644	4,797,243
Interest and other fiscal charges	-	-	-	-	-	-	1,148,672	1,148,672
Capital outlay	-	-	-	-	-	6,489,062	-	6,489,062
Total expenditures	<u>76,237,298</u>	<u>5,263,830</u>	<u>2,115,386</u>	<u>131,727</u>	<u>171,260</u>	<u>6,489,062</u>	<u>5,893,316</u>	<u>96,301,879</u>
Excess (deficiency) of revenues over expenditures	<u>10,332,371</u>	<u>(169,852)</u>	<u>34,826</u>	<u>743,255</u>	<u>(499)</u>	<u>(5,343,106)</u>	<u>(3,737,922)</u>	<u>1,859,073</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	87,309	169,852	62,417	-	-	-	5,893,315	6,212,893
Transfers out	(6,125,584)	-	-	(12,309)	-	(75,000)	-	(6,212,893)
Total other financing sources (uses)	<u>(6,038,275)</u>	<u>169,852</u>	<u>62,417</u>	<u>(12,309)</u>	<u>-</u>	<u>(75,000)</u>	<u>5,893,315</u>	<u>-</u>
Net change in fund balances	4,294,096	-	97,243	730,946	(499)	(5,418,106)	2,155,393	1,859,073
Fund balances—beginning	22,894,608	-	669,394	6,171,796	107,442	10,433,843	1,273,573	41,550,656
Fund balances—ending	<u>\$ 27,188,704</u>	<u>\$ -</u>	<u>\$ 766,637</u>	<u>\$ 6,902,742</u>	<u>\$ 106,943</u>	<u>\$ 5,015,737</u>	<u>\$ 3,428,966</u>	<u>\$ 43,409,729</u>

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances—Governmental Funds to the Government-wide Statement of Activities
Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances—total governmental funds (page 16) \$ 1,859,073

Governmental funds report capital 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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital and right-to-use asset additions	\$ 8,103,813	
Loss on disposition of assets	(309,903)	
Depreciation/amortization expense	<u>(4,099,729)</u>	3,694,181

For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge on the government-wide statements and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

(1,483)

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

District pension contributions	\$ 4,407,409	
Employee contributions net of benefits earned	<u>(7,173,781)</u>	(2,766,372)

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.

916,130

Certain revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.

417,648

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.

28,268

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Repayment of serial bonds	\$ 4,600,000	
Amortization of premiums on serial bonds	154,536	
Repayment of energy performance contract	144,644	
Repayment of lease liability	52,599	
Change in retirement incentive payable	(560,000)	
Change in compensated absences	(2,796)	
Change in workers' compensation	146,050	
Change in other postemployment benefits obligation	<u>(170,208)</u>	4,364,825

Change in net position of governmental activities \$ 8,512,270

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position—Fiduciary Fund
June 30, 2024

	<u>Custodial Fund</u>
ASSETS	
Restricted cash and cash equivalents	\$ 474,018
Due from other funds	<u>140,000</u>
Total assets	<u>614,018</u>
 NET POSITION	
Restricted	<u>614,018</u>
Total net position	<u><u>\$ 614,018</u></u>

The notes to the financial statements are an integral part of this statement.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Changes in Fiduciary Net Position—Fiduciary Fund
Year Ended June 30, 2024

	Custodial Fund
ADDITIONS	
Contributions	\$ 614,018
Total additions	<u>614,018</u>
 Change in fiduciary net position	 614,018
Net position—beginning	<u>-</u>
Net position—ending	<u><u>\$ 614,018</u></u>

The notes to the financial statements are an integral part of this statement.

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Notes to the Financial Statements
Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Niagara Wheatfield Central School District, New York (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from the legally separate *component units* for which the primary government is financially accountable. The District reports no business-type activities or discretely presented component units.

Reporting Entity

The District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions which comprise District operations, and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the District is to provide education for pupils. Support services such as transportation of pupils, food service, administration, finance, and plant maintenance are also included.

The financial reporting entity includes all funds, functions and organizations over which the District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Blended Component Unit—The District reports the Tuscarora Indian Education Fund (the “School”) as a blended component unit of the District. The School was established to provide elementary education for grades K through 8 for residents and members of the Tuscarora Indian Reservation located within the District’s boundaries. Separate financial statements are available from the District’s business office.

Inclusion in the financial statements is based primarily on the concept of financial accountability as defined in GASB. Financial accountability is determined on the basis of fiscal dependency, ability to impose the District's will or potential for the component unit to provide specific financial benefits to, or to impose specific financial burdens on, the District. The Board of Education together with certain members of the Tuscarora Indian Nation have primary fiscal responsibility for the School. The School's budget is prepared by the District and subsequently approved by the New York State Native American Unit. All funds appropriated for the School are passed through the District. All employees serving the School are employees of the District and allocations are made from the District to the School for these services.

The General Fund and School Lunch Fund of the School have been blended into the corresponding funds of the District. All eliminations for related activity between the District and the School have been made.

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; however, since the District has administrative involvement with these funds they are reported within the District's Student Activities Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office.

Joint Venture—The District is one of 13 participating school districts in the Orleans-Niagara Board of Cooperative Educational Services ("BOCES"). Formed under Section 1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the member of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

A BOCES' budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may also issue debt on behalf of BOCES. As of June 30, 2024, there was no such debt issued by the District.

During the year ended June 30, 2024, the District expended \$10,792,656 to Orleans-Niagara BOCES for administrative and program services provided by BOCES. Audited financial statements are available from Orleans-Niagara BOCES administrative offices.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the District's various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's 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. All of the District's funds are considered major funds.

The District reports the following major governmental funds:

- *Combined General Fund*—This fund constitutes the primary operating fund of the District and includes all operations not required to be recorded in other funds. The principal sources of revenue for the Combined General Fund are real property taxes and state sources. The Combined General Fund includes the General Fund of the Tuscarora School. This is the primary operating fund of the blended component unit and accounts for all financial resources of the School except those required to be accounted for in another fund.
- *Special Aid Fund*—This fund is used to account for special operating projects or programs supported in whole, or in part, with federal and state grants.
- *School Lunch Fund*—This fund is used to account for transactions of the District's food service operations.
- *Special Revenue Fund*—This fund is used to account for other revenues that are legally restricted to expenditures for specific purposes. The District entered into an agreement with the Power Authority of the State of New York (the "Authority") as part of its renewal of the Authority's licensing agreement. The agreement provides the District an allocation of low cost electricity generated at the Niagara Power Project. The District then enters into a resale agreement with an energy provider to sell excess electricity. This fund was created to control the transactions of this agreement.
- *Student Activities Fund*—The Student Activities Fund is used to account for extraclassroom transactions, which represents funds of the students of the District. The District exercises administrative involvement with these funds.
- *Capital Projects Fund*—This fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.
- *Debt Service Fund*—This fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Additionally, the District reports the following fund type:

Fiduciary Fund—This fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary Fund includes a *Custodial Fund*.

- *Custodial Fund*—The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations, and/or other governmental units.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

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

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, non-property taxes, charges for services provided, and state and federal aid associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period or within the period of availability. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and amount is received during the period of availability within 60 days of year-end. All other revenue items are considered to be measureable and available only when cash is received by the District.

The Custodial Fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The District’s cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. New York State law governs the District’s investment policies. Permissible investments include obligations of the United States Treasury, United States government agencies, repurchase agreements and obligations of New York State or its localities. The District has no investments at June 30, 2024; however, when the District does have investments they are recorded at fair value in accordance with GASB.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent unspent proceeds of debt, the Tuscarora Indian Education Fund cash, amounts to support restricted fund balances, amounts restricted for capital projects and debt service, and unearned revenue.

Receivables—Receivables are shown net of an allowance for uncollectible accounts, when applicable. No allowance or uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories—Inventories of food and/or 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 which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Capital and Right-to-Use Leased Assets—Capital and right-to-use leased assets, which include land, construction in progress, buildings and improvements, land improvements, and furniture, equipment and vehicles, and right-to-use leased assets are reported in the government-wide financial statements. Capital and right-to-use leased assets are defined by the District as assets with an initial individual cost of more than an established threshold of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are completed. Right-to-use leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs and are amortized on a straight line basis over their useful lives.

Land and construction in progress are not depreciated. The other property, plant, equipment, infrastructure, and right-to-use leased assets of the primary government are depreciated/amortized using the straight line method over the estimated useful lives presented below.

Assets	Capitalization Threshold	Estimated Useful Life
Land	\$ 1	N/A
Buildings	5,000	50
Land improvements	5,000	50
Furniture and equipment	5,000	5-15
Right-to-use leased assets - equipment	5,000	10

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new school bus included as part of *expenditures—pupil transportation*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2024, the District has three items that qualify for reporting in this category. The first item, related to pension plans, is reported in the government-wide financial statements. This represents the effect of the net change in the District's proportion of the collective net pension liability/(asset), the difference during the measurement periods between the District's contributions, its proportionate share of total contribution to the pension systems not included in pension expense, and any contributions to the pension systems subsequent to the measurement date. The second item is related to OPEB reported in the government-wide financial statements and reflects the effects of the change in the District's proportion of the collective OPEB liability/(asset) and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability/(asset). The third item is a deferred charge on refunding which the District reports within its governmental activities on the government-wide financial statements. 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.

In addition to liabilities, the statement of financial 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. At June 30, 2024, the District has three items that qualify for reporting in this category. The first item represents the effect of the net change in the District's proportion of the collective net pension liability/(asset) and the 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 and is reported on the government-wide financial statements. The second item represents the effects of the change in the District's proportion of the collective OPEB liability/(asset) and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability/(asset) and is reported on the

government-wide financial statements. The final item is deferred inflows for state aid receivable of \$1,661,333 within its fund financial statements. As the District is not able to determine when these funds will be received, they are currently classified as deferred inflows and will subsequently be recognized as revenue once they meet the proper recognition criteria.

Net Position Flow Assumptions—Sometimes the District will fund outlays for a 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 government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—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. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as committed. The Board of Education may assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes—The District levies real property taxes no later than September 1. For the year ended June 30, 2024, the tax lien was issued August 21, 2024 for collection from September 1 through October 31, 2024. Thereafter, uncollected amounts became the responsibility of Niagara County. Such amounts are submitted to the District by April 1 of the following year as required by law.

Tax payments are due September 1 through September 30 without penalty; October 1 through October 31 with a two percent penalty.

The tax roll is returned to the Niagara County Treasurer after November 5 at which time all unpaid taxes and penalties are payable to that office. The District retains their full tax levies for all unpaid items are returned to the County. Thus, the District is assured of receiving 100% of its tax levy. The County enforces all liens.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At June 30, 2024, the District reported \$44,054 of unearned revenues in the Special Aid Fund. The District received grant funding in advance but has not yet spent the funds and therefore recognizes a liability. The District also reported \$14,362 of unearned revenues in the School Lunch Fund. The District received school lunch money in advance but has not performed the services and therefore recognizes a liability.

Compensated Absences—The District labor agreements and District rules and regulations provide for sick leave, vacations, and other miscellaneous paid absences. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Pension Plans—The District is mandated by New York State law to participate in the New York State Teachers' Retirement System ("TRS") and the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other Postemployment Benefits—In addition to providing pension benefits, the District provides health insurance coverage for certain retired employees as discussed in Note 7.

Other

Estimates—The preparation of the financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/deferred inflows, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended June 30, 2024, the District implemented the remainder of GASB Statement No. 99, *Omnibus 2022*; and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. The remaining portion of GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53. GASB Statement No. 100 improves financial reporting by enhancing accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statements No. 99 and 100 did not have a material impact on the District’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The District has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 101, *Compensated Absences*; and GASB Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025, and GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. The District is, therefore, unable to disclose the impact that adopting GASB Statements No. 101, 102, and 103 will have on its financial position and results of operations when such statements are adopted.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District’s investment policies are governed by New York State statutes. District monies must be deposited in FDIC-Insured commercial banks or trust companies located within New York State. The District’s Business Manager is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York. Cash and cash equivalents reported by the District at June 30, 2024 are as follows:

	Governmental Funds	Fiduciary Fund	Total
Deposits	<u>\$ 42,859,019</u>	<u>\$ 474,018</u>	<u>\$ 43,333,037</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at June 30, 2024 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 860,928	\$ 856,943
Uninsured:		
Collateral held by pledging bank's agent in the District's name	<u>44,258,756</u>	<u>42,476,094</u>
Total	<u>\$ 45,119,684</u>	<u>\$ 43,333,037</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. At June 30, 2024, the District’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the District’s name.

Restricted Cash and Cash Equivalents—The District reports unspent proceeds of debt, the Tuscarora Indian Education Fund cash, amounts to support restricted fund balances, amounts restricted for capital projects and debt service, and unearned revenue as restricted cash and cash equivalents. At June 30, 2024, the District reported \$27,562,053 of restricted cash within its governmental funds and \$474,018 of restricted cash within its fiduciary fund.

Investments—The District had reported no investments at June 30, 2024.

Interest Rate Risk—In accordance with its investment policy, the District manages exposures by limiting investments to low risk type investments governed by New York State statutes.

3. RECEIVABLES

Revenues accrued by the District at June 30, 2024 consisted of the following:

Receivables—Represents amounts due from various sources for commissions, reimbursements, and other services provided. The District reports an amount of \$86,592 in the Combined General Fund, respectively, at June 30, 2024.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State and other local governments. Intergovernmental receivables at June 30, 2024 are presented as follows:

Combined General Fund:

New York State Tuscarora tuition 23-24	\$ 1,128,041	
New York State excess cost aid	894,848	
BOCES aid	1,902,167	
Foster students tuition and CSE costs	<u>93,596</u>	\$ 4,018,652

Special Aid Fund:

Federal Title I Grants to Local Educational Agencies	\$ 295,284	
Education Stabilization Fund — ARP ESSER	824,744	
New York State summer school	418,334	
New York State Special Education - Grants to States	219,410	
New York State Tuscarora elementary supplemental	45,441	
New York State Tuscarora secondary supplemental	76,435	
New York State teacher training	3,389	
Universal Pre-K	110,983	
Bilingual Education	20,952	
Office of Mental Health	8,850	
St. Mary's School for the Deaf	114,137	
My Brother's Keeper	<u>16,322</u>	2,154,281

School Lunch Fund:

New York State aid	\$ 41,356	
Federal aid	<u>71,882</u>	<u>113,238</u>
Total governmental funds		<u>\$ 6,286,171</u>

Restricted Intergovernmental Receivables—Represents amounts due from New York State for Tuscarora 2023-2024 operating aid that are considered to be restricted for the purposes of the Tuscarora School. Restricted intergovernmental receivables at June 30, 2024 total \$533,292.

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2024 was as follows:

	Balance 7/1/2023	Increases and Reclassifications	Decreases and Reclassifications	Balance 6/30/2024
Capital assets, not being depreciated/amortized:				
Land	\$ 849,415	\$ -	\$ -	\$ 849,415
Construction in progress	6,411,722	6,489,062	5,976,213	6,924,571
Total capital assets, not being depreciated/amortized	<u>7,261,137</u>	<u>6,489,062</u>	<u>5,976,213</u>	<u>7,773,986</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	137,889,296	5,992,444	-	143,881,740
Land improvements	2,371,537	-	-	2,371,537
Furniture, equipment and vehicles	11,519,773	1,407,467	512,049	12,415,191
Right-to-use leased assets - equipment	1,295,269	191,053	45,740	1,440,582
Total capital assets, being depreciated/amortized	<u>153,075,875</u>	<u>7,590,964</u>	<u>557,789</u>	<u>160,109,050</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	36,442,966	2,870,196	-	39,313,162
Land improvements	1,037,013	81,247	-	1,118,260
Furniture, equipment and vehicles	7,604,005	881,559	202,146	8,283,418
Right-to-use leased assets - equipment	209,325	266,727	45,740	430,312
Total accumulated depreciation/amortization	<u>45,293,309</u>	<u>4,099,729</u>	<u>247,886</u>	<u>49,145,152</u>
Total capital assets being depreciated/amortized, net	<u>107,782,566</u>	<u>3,491,235</u>	<u>309,903</u>	<u>110,963,898</u>
Governmental activities capital assets, net	<u>\$ 115,043,703</u>	<u>\$ 9,980,297</u>	<u>\$ 6,286,116</u>	<u>\$ 118,737,884</u>

Depreciation/amortization expense was charged to the functions and programs of governmental activities as follows:

General support	\$ 344,219
Instruction	3,097,974
Pupil transportation	657,536
Total	<u>\$ 4,099,729</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2024, were as follows:

	Combined General Fund	Special Aid Fund	School Lunch Fund	Total Governmental Funds
Salaries and employee benefits	<u>\$ 581,432</u>	<u>\$ 9,927</u>	<u>\$ 16,698</u>	<u>\$ 608,057</u>

6. PENSION PLANS

The District participates in the New York State Teachers' Retirement System ("TRS") and the New York State and Local Employees' Retirement System ("ERS") (the "Systems"). These cost-sharing multiple-employer public employee retirement systems compute contribution retirements based on the New York State Retirement and Social Security Law ("NYSRSSL").

Plan Descriptions and Benefits Provided

Teachers' Retirement System—TRS provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in TRS, 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. Additional information regarding TRS, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Annual Comprehensive Financial Report which can be found at the TRS website at www.nystrs.org.

Employees' Retirement System—ERS provides retirement benefits as well as death and disability benefits. The net position of ERS 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 ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. ERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in ERS, 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. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute three percent (3.0%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3.0%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For 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 based on salaries paid during the Systems' fiscal year ending March 31.

Pension Liability/(asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2024, the District reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of June 30, 2023 for TRS and March 31, 2024 for ERS. The total pension liability used to calculate the net pension liability/(asset) was determined by actuarial valuations as of June 30, 2022 and April 1, 2023, respectively, with update procedures used to rollforward the total pension liability/(asset) to the measurement dates. The District's proportion of the net pension liability/(asset) 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 TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
Net pension liability/(asset)	\$ 1,857,399	\$ 3,467,300
District's portion of the Plan's total net pension liability/(asset)	0.162419%	0.023549%

For the year ended June 30, 2024, the District recognized pension expense of \$5,177,698 and \$1,769,507 for TRS and ERS, respectively. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from sources below:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Difference between expected and actual experiences	\$ 4,503,699	\$ 1,116,814	\$ 11,130	\$ 94,544
Changes of assumptions	3,998,925	1,310,908	871,544	-
Net difference between projected and actual earnings on pension plan investments	949,466	-	-	1,693,757
Changes in proportion and differences between the District's contributions and proportionate share of contributions	32,994	625,012	342,596	51,000
District contributions subsequent to the measurement date	2,928,492	338,478	-	-
Total	<u>\$ 12,413,576</u>	<u>\$ 3,391,212</u>	<u>\$ 1,225,270</u>	<u>\$ 1,839,301</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown below:

Year Ending June 30,	TRS	ERS
2025	\$ 657,507	\$ (426,017)
2026	(1,029,180)	835,632
2027	7,414,997	1,119,890
2028	510,396	(316,072)
Thereafter	706,093	-

Actuarial Assumptions—The total pension liability as of the measurement dates were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liability to the respective measurement dates. The actuarial valuations used the following actuarial assumptions:

	TRS	ERS
Measurement date	June 30, 2023	March 31, 2024
Actuarial valuation date	June 30, 2022	April 1, 2023
Interest rate	6.95%	5.90%
Salary scale	1.95%-5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2020
Inflation rates	2.40%	2.90%
Cost-of-living adjustments	1.30%	1.50%

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

Measurement date	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2023	March 31, 2024
Asset class:				
Domestic equities	33.0 %	32.0 %	6.8 %	4.0 %
International equities	15.0	15.0	7.6	6.7
Global equities	4.0	0.0	7.2	0.0
Private equity	9.0	10.0	10.1	7.3
Real estate	11.0	9.0	6.3	4.6
Opportunistic/Absolute return strategy	0.0	3.0	0.0	5.3
Credit	0.0	4.0	0.0	5.4
Domestic fixed income securities	16.0	0.0	2.2	0.0
Global bonds	2.0	0.0	1.6	0.0
High-yield bonds	1.0	0.0	4.4	0.0
Private debt	2.0	0.0	6.0	0.0
Real assets	0.0	3.0	0.0	5.8
Real estate debt	6.0	0.0	3.2	0.0
Fixed income	0.0	23.0	0.0	1.5
Cash	1.0	1.0	0.3	0.3
Total	100.0 %	100.0 %		

Discount Rate—The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.90% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the District’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.95% for TRS and 4.90% for ERS) or one percentage-point higher (7.95% for TRS and 6.90% for ERS) than the current assumption.

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability/(asset)	\$ 28,289,130	\$ 1,857,399	\$ (20,372,830)
ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	\$ 10,901,544	\$ 3,467,300	\$ (2,741,837)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability of the employers as of the respective valuation dates, were as follows:

	(Dollar in Thousands)	
	TRS	ERS
Valuation date	June 30, 2022	April 1, 2023
Employers' total pension liability	\$ 138,365,122	\$ 240,696,851
Plan fiduciary net position	137,221,537	225,972,801
Employers' net pension liability	<u>\$ 1,143,585</u>	<u>\$ 14,724,050</u>
System fiduciary net position as a percentage of total pension liability	99.2%	93.9%

Payables to the Pension Plan— For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 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, 2024 amounted to \$3,104,465.

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, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$338,478.

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description—In addition to pension benefits, the District pays for a portion of eligible retirees' health insurance, depending on the type of health plan provided in accordance with the provisions of various employment contracts. The benefit level, employee contributions and employer contributions are governed by the District's contractual agreements.

Employees Covered by Benefit Terms—As of June 30, 2022, the actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	16
Active employees	<u>528</u>
Total	<u>544</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or "earned"), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability ("UAAL") under GASB Statement No. 45.

Total OPEB Liability

The District's total OPEB liability of \$1,659,772 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the June 30, 2022 valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 3.69% as of June 30, 2023 to 3.86% as of June 30, 2024. The salary scale assumes an increase of 3.00% per year and was based on the District's future expectations. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate for post-65 medical trend rates used is 4.50%, while the ultimate healthcare cost trend rate is 4.04%. Mortality rates were updated to rates based on the sex-distinct and job-category-specific headcount-weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, and then adjusted for mortality improvements with Scale MP-2021 mortality improvement scaled on a generational basis.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability/(Asset)
Balance at June 30, 2023	\$ 1,489,564
Changes for the year:	
Service cost	59,198
Interest	55,015
Changes of assumptions or other inputs	171,675
Benefit payments	(115,680)
Net changes	170,208
Balance at June 30, 2024	\$ 1,659,772

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB liability	\$ 1,425,325	\$ 1,659,772	\$ 1,803,280

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (4.50%) and ultimate (4.04%) healthcare cost trend rates.

	1% Decrease (3.50% / 3.04%)	Healthcare Cost Trend Rates (4.50% / 4.04%)	1% Increase (5.50% / 5.04%)
Total OPEB liability	\$ 1,696,257	\$ 1,659,772	\$ 1,551,291

Funding Policy—Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various union contracts, which were ratified by the District’s Board of Education. The District recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. District governmental funds contributed \$115,680 for the fiscal year ended June 30, 2024. The District’s contributions to the OPEB plan are based on negotiated contracts with three bargaining units, as discussed in Note 13. Any amendments to the employer’s contributions are subject to the bargaining units.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The District reports deferred outflows of resources and deferred inflows or resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. The table below presents the District’s deferred outflows of resources and deferred inflows of resources at June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,257,183	\$ 5,124,825
Changes of assumptions or other inputs	1,564,579	1,639,070
Benefit payments subsequent to measurement date	184,618	-
Total	<u>\$ 4,006,380</u>	<u>\$ 6,763,895</u>

The District’s benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ (675,517)
2026	(675,517)
2027	(673,489)
2028	(636,959)
2029	(497,296)
Thereafter	216,645

8. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; assessment challenges; theft of, damage to, and destruction of assets; and natural disasters. The District purchases commercial insurance to cover such potential risks. The liability insurance limits are as follows: Commercial property coverage with a blanket coverage, general liability coverage with a \$1,000,000 limit per occurrence, commercial automobile coverage with a combined single limit of \$1,000,000, and excess liability coverage with a \$10,000,000 limit per occurrence.

There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any material settlements which have exceeded insurance coverage in the past three fiscal years.

The District participates in the Orleans-Niagara School Health Plan, a public entity risk pool. This plan is designed to provide health insurance coverage for participating entities.

The District has elected to discharge any liability to the New York State Unemployment Insurance Fund by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees.

Workers' Compensation—The District has chosen to establish a self-insured plan for risks associated with employee workers' compensation claims. The District accounts for this activity in the General Fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR"). Claim liabilities are calculated with consideration of the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other benefit costs.

Claim activities for the current year and the prior year are:

<u>Fiscal Year Ended</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid and Changes in Estimates</u>	<u>Ending Balance</u>
June 30, 2024	\$ 2,081,967	\$ 309,134	\$ 455,184	\$ 1,935,917
June 30, 2023	2,534,077	142,951	595,061	2,081,967

At June 30, 2024, the General Fund maintains a restricted fund balance in the amount of \$1,545,411 for the purpose of funding the District's future claim liabilities.

9. LEASES

The District is a lessee for a noncancellable lease of various vehicles and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities that are significant individually, or in the aggregate, to the financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

During the various prior years, the District entered into long-term lease agreements as the lessee for the acquisition and use of equipment. As of June 30, 2024, the total value of the lease liabilities was \$98,494. The District is required to make monthly principal and interest payments on the equipment of \$2,401 and \$2,407. The leases have interest rates ranging from 1.59% to 4.01%. The value of the right-to-use assets as of the end of the current fiscal year was \$1,440,582 and had accumulated amortization of \$430,312.

The future principal and interest payments as of June 30, 2024, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 47,520	\$ 2,951	\$ 50,471
2026	27,340	1,545	28,885
2027	23,634	437	24,071
	<u>\$ 98,494</u>	<u>\$ 4,933</u>	<u>\$ 103,427</u>

10. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

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.

The District's outstanding long-term liabilities include serial bonds, energy performance contract, lease liability, retirement incentive, compensated absences, workers' compensation, other postemployment benefits obligation and net pension liability. The bonds payable of the District are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the District's long-term liabilities at June 30, 2024 is presented below:

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year
Serial bonds	\$ 30,565,000	\$ -	\$ 4,600,000	\$ 25,965,000	\$ 3,565,000
Premium on serial bonds	1,538,392	-	154,536	1,383,856	154,536
Bonds payable, net	32,103,392	-	4,754,536	27,348,856	3,719,536
Energy performance contract	2,070,302	-	144,644	1,925,658	149,199
Lease liability	151,093	-	52,599	98,494	47,520
Retirement incentive payable	-	700,000	140,000	560,000	140,000
Compensated absences*	7,211,627	2,796	-	7,214,423	360,721
Workers' compensation	2,081,967	309,134	455,184	1,935,917	457,484
Other postemployment benefits obligation	1,489,564	285,888	115,680	1,659,772	-
Net pension liability*	8,198,104	-	2,873,405	5,324,699	-
Total	<u>\$ 53,306,049</u>	<u>\$ 1,297,818</u>	<u>\$ 8,536,048</u>	<u>\$ 46,067,819</u>	<u>\$ 4,874,460</u>

(*Additions/reductions to the net pension liability and compensated absences are shown net of reductions/additions.)

Serial Bonds—The District issues general obligation bonds to provide funds for the acquisition, construction and renovations of major capital facilities. Serial bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 7 to 15 years.

Principal is paid annually, interest is paid semi-annually; these payments are recorded in the Debt Service Fund. A summary of additions and payments for the year ended June 30, 2024 is shown below:

Description	Year of Issue/ Maturity	Interest Rate (%)	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024
2013 Serial Bonds	2013/2028	1.50-4.00	\$ 3,915,000	\$ -	\$ 740,000	\$ 3,175,000
2020 Serial Bonds	2020/2035	2.00%	7,770,000	-	615,000	7,155,000
2023 Serial Bonds	2023/2037	4.00%	17,735,000	-	2,880,000	14,855,000
DASNY Refunding - 2023	2023/2026	5.00%	1,145,000	-	365,000	780,000
Total			<u>\$ 30,565,000</u>	<u>\$ -</u>	<u>\$ 4,600,000</u>	<u>\$ 25,965,000</u>

Premiums on Serial Bonds—Premiums on bond issuances are being amortized on a straight-line basis over the life of their respective bonds. The unamortized premium as of June 30, 2024 was \$1,383,856.

Energy Performance Contract—The District previously entered into an energy performance contract, for the acquisition, construction and installation of various District energy efficiency improvements, in an effort to reduce energy costs. Total outstanding balance at June 30, 2024 was \$1,925,658.

The requirements of the energy performance contract are summarized below:

Year Ending June 30,	
2025	\$ 208,220
2026	208,220
2027	208,220
2028	208,220
2029	208,220
2030-2034	1,041,096
2035-2039	<u>208,220</u>
Total minimum payments	2,290,416
Less: amount representing interest	<u>(364,758)</u>
Present value of minimum payments	<u>\$ 1,925,658</u>

The assets acquired through the energy performance contract are as follows:

Assets:	
Building and improvements	\$ 2,478,271
Less: Accumulated depreciation	<u>(366,578)</u>
Total	<u>\$ 2,111,693</u>

Leases—The District entered into long-term leases for various equipment. The outstanding balance at June 30, 2024 was \$98,494. Refer to Note 9 for additional information related to the District's leases.

Retirement Incentive Payable—During the year ended June 30, 2024, the District offered an early retirement incentive to employees. The value recorded in the government-wide financial statements at June 30, 2024 for governmental activities is \$560,000, of which \$140,000 has been included within the current portion of long-term debt.

Compensated Absences—As explained in Note 1, the District records the value of compensated absences in the government-wide financial statements. The liability for compensated absences consists of unpaid accumulated annual sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and other employees expected to become eligible in the future to receive such payments are included. The amount recorded in the government-wide financial statements at June 30, 2024 for governmental activities is \$7,214,423. Management estimates that \$360,721 is due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable. The annual budgets of the operating funds provide for these benefits as they become due.

Workers' Compensation—As explained in Note 8, the District is self-insured for risks associated with employee workers' compensation claims. The District's liability, as calculated by an independent third party administrator, is estimated to be \$1,935,917 as of June 30, 2024. Management estimates that \$457,484 is due within one year.

OPEB Obligation—As explained in Note 7, the District provides health insurance coverage for certain retirees. The District's annual OPEB cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB. The long-term OPEB obligation is estimated to be \$1,659,772 as of June 30, 2024.

Net Pension Liability—The District reported liabilities, \$1,857,399 and \$3,467,300, for its proportionate share of the net pension liability for the Teachers' Retirement System and Employees' Retirement System, respectively. Refer to Note 6 for additional information related to the District's net pension liabilities.

The following is a maturity schedule of the District's indebtedness:

Year Ending June 30,	Serial Bonds	Premiums on Serial Bonds	Energy Performance Contract	Lease Liability	Retirement Incentive Payable	Compensated Absences	Workers' Compensation	OPEB Obligation	Net Pension Liability	Total
2025	\$ 3,565,000	\$ 154,536	149,199	\$ 47,520	\$ 140,000	\$ 360,721	\$ 457,484	\$ -	\$ -	\$ 4,874,460
2026	3,620,000	142,069	153,898	27,340	140,000	-	-	-	-	4,083,307
2027	2,875,000	124,615	158,745	23,634	140,000	-	-	-	-	3,321,994
2028	2,700,000	119,126	163,745	-	140,000	-	-	-	-	3,122,871
2029	1,775,000	102,660	168,902	-	-	-	-	-	-	2,046,562
2030-2034	8,355,000	513,300	927,731	-	-	-	-	-	-	9,796,031
2035-2039	3,075,000	227,550	203,438	-	-	-	-	-	-	3,505,988
Thereafter	-	-	-	-	-	6,853,702	1,478,433	1,659,772	5,324,699	15,316,606
	<u>\$ 25,965,000</u>	<u>\$ 1,383,856</u>	<u>\$ 1,925,658</u>	<u>\$ 98,494</u>	<u>\$ 560,000</u>	<u>\$ 7,214,423</u>	<u>\$ 1,935,917</u>	<u>\$ 1,659,772</u>	<u>\$ 5,324,699</u>	<u>\$ 46,067,819</u>

Interest requirements on serial bonds payable, the energy performance contract, and leases are summarized as follows:

Year Ending June 30,	Serial Bonds	Energy Performance Contract	Lease Liability	Total
2025	\$ 880,188	\$ 59,020	\$ 2,951	\$ 942,159
2026	746,288	54,321	1,545	802,154
2027	618,088	49,474	437	667,999
2028	524,738	44,475	-	569,213
2029	437,900	39,318	-	477,218
2030-2034	1,382,600	113,368	-	1,495,968
2035-2039	225,600	4,782	-	230,382
Total	<u>\$ 4,815,402</u>	<u>\$ 364,758</u>	<u>\$ 4,933</u>	<u>\$ 5,185,093</u>

11. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construct or improvement of these assets reduce the balance in this category.
- ***Restricted Net Position***—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ***Unrestricted Net Position***—This category represents net position of the District not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the District at June 30, 2024 includes:

- ***Inventories***—Representing the portion of fund balance in the School Lunch Fund, \$6,769 composed of inventories. This balance is nonspendable as the inventories do not represent an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grants, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the District at June 30, 2024 includes:

	Combined General Fund	Student Activities Fund	Capital Projects Fund	Debt Service Fund	Total
Workers' compensation	\$ 1,545,411	\$ -	\$ -	\$ -	\$ 1,545,411
Employee benefits	1,405,110	-	-	-	1,405,110
Retirement contribution	3,493,745	-	-	-	3,493,745
Capital projects	4,926,500	-	5,015,737	-	9,942,237
Transportation	6,114,635	-	-	-	6,114,635
Tax certiorari	369,553	-	-	-	369,553
Unemployment	157,984	-	-	-	157,984
Tuscarora School	145,813	-	-	-	145,813
Student activities	-	106,943	-	-	106,943
Debt service	-	-	-	3,428,966	3,428,966
Total	<u>\$ 18,158,751</u>	<u>\$ 106,943</u>	<u>\$ 5,015,737</u>	<u>\$ 3,428,966</u>	<u>\$ 26,710,397</u>

- ***Workers' Compensation***—According to General Municipal Law Section 6-j, this restriction must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as

may be legally appropriated. Within sixty days after the end of 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.

- ***Employee Benefits***—According to General Municipal Law Section 6-p, this restriction must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- ***Retirement Contribution***—According to General Municipal Law Section 6-r, this restriction must be used for financing retirement contributions. The restriction 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.
- ***Capital Projects***—According to Education Law Section 3651, this restriction 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 restriction 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 Section 3651 of the Education Law.
- ***Transportation***—Similar to the restriction for capital projects, according to Education Law Section 3651, this restriction must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a transportation capital reserve fund requires authorization by a majority of the voters establishing the purpose of the restriction, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the restriction 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 Section 3651 of the Education Law.
- ***Tax Certiorari***—According to Education Law Section 3651.1-a, this restriction 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 restriction 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 proceeds 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.
- ***Restricted for Unemployment***—According to General Municipal Law Section 6-m, this restriction must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The restriction may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess

applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

- ***Tuscarora School***—Represents assets of the Tuscarora School which are restricted for use only for specified Tuscarora School operations.
- ***Student Activities***—Represents amounts generated by the Extraclassroom Activities of the District, which are restricted for use only within the Student Activities Fund for specified student activities.
- ***Debt Service***—Represents amounts within the Debt Service Fund resulting from contributions related to certain external agreements that are required to be used for capital project expenses or the debt service thereof.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority. As of June 30, 2024, the District reported no committed fund balance.

In the fund financial statements, assignments are not legally required segregations but are segregated for a specific purpose by the District at June 30, 2024 and include:

	Combined General Fund	School Lunch Fund	Special Revenue Fund	Total
Encumbrances	\$ 1,358,032	\$ -	\$ -	\$ 1,358,032
Subsequent year's expenditures	2,189,033	-	-	2,189,033
Capital projects	2,000,000	-	-	2,000,000
Specific purpose	-	759,868	6,902,742	7,662,610
Total	<u>\$ 5,547,065</u>	<u>\$ 759,868</u>	<u>\$ 6,902,742</u>	<u>\$ 13,209,675</u>

- ***Assigned to Encumbrances***—Represents amounts related to unperformed (executory) contracts for goods and services.
- ***Assigned to Subsequent Year's Expenditures***—Representing available General Fund fund balance being appropriated to meet expenditure requirements in the 2024-25 fiscal year.
- ***Assigned for Capital Projects***—Represents amounts side aside by the District for future capital projects.
- ***Assigned for Specific Purpose***—Represents amounts related to the District's agreement with the New York State Power Authority. The District has \$759,868 and \$6,902,742 of fund balance assigned for specific purpose in the School Lunch Fund and Special Revenue Fund, respectively, at June 30, 2024.

If the District must use funds for emergency expenditures the Board of Education shall authorize the Business Administrator to expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified

by GASB will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the District will use unassigned fund balance.

12. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are generally short term in nature and exist because of temporary advances or payments made on behalf of other funds. Due to availability restrictions related to intergovernmental receivables from New York State, certain interfund payables between the District and its blended component unit are not considered short term. The District considered the receivable associated with this item to be nonspendable. The composition of interfund balances as of June 30, 2024 are summarized below.

Fund	Interfund	
	Receivable	Payable
Governmental Funds:		
Combined General Fund	\$ 3,410,482	\$ 370,756
Special Aid Fund	176,722	3,036,912
School Lunch Fund	-	105,215
Speical Revenue Fund	-	12,309
Capital Projects Fund	65,718	267,730
Total governmental funds	3,652,922	3,792,922
Custodial Fund	140,000	-
Total	<u>\$ 3,792,922</u>	<u>\$ 3,792,922</u>

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. All of these balances are expected to be collected/paid within the subsequent year.

Fund	Transfers in:				
	Combined General Fund	Special Aid Fund	School Lunch Fund	Debt Service Fund	Total
Transfers out:					
Combined General Fund	\$ -	\$ 169,852	\$ 62,417	\$ 5,893,315	\$ 6,125,584
Special Revenue Fund	12,309	-	-	-	12,309
Capital Projects Fund	75,000	-	-	-	75,000
Total	<u>\$ 87,309</u>	<u>\$ 169,852</u>	<u>\$ 62,417</u>	<u>\$ 5,893,315</u>	<u>\$ 6,212,893</u>

Transfers are used primarily to finance certain special aid programs, provide funding for the school lunch program, to fund capital projects, to fund the purchase of equipment, and to finance long-term liabilities.

13. LABOR CONTRACTS

District employees are represented by three bargaining units with the balance governed by Board of Education rules and regulations. The Niagara Wheatfield Teachers Association contract is in place through June 30, 2025, Niagara Wheatfield Administrators Association contract is in place through June 30, 2027, and the Niagara Wheatfield School Related Personnel Association contract is in place through June 30, 2028.

14. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The District considers encumbrances significant if they are in excess of \$100,000. As of June 30, 2024, the District did not report any significant encumbrances.

15. TAX ABATEMENTS

The District is subject to programs entered into by Niagara County Industrial Development Agency ("NCIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the NCIDA and incentives may include property tax abatements of any new property tax revenue realized from the increased assessed value of any incentivized project from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future these new revenues will increase periodically until the project is taxed at full assessed value. Assuming the NCIDA incentivized projects would have been completed absent tax abatement, the unrealized property tax revenue is \$2,606,400. However, during 2024 the District collected \$1,855,340 related to these new incentivized projects.

16. CONTINGENCIES

Litigation—Various legal actions are pending against the District. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the District.

Grants—In the normal course of business, the District receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Other—The District is involved in litigation in the ordinary course of its operations. The District believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the District's financial condition or results of operations.

17. SUBSEQUENT EVENTS

On July 30, 2024, the District issued \$21,500,000 of bond anticipation notes with an interest rate of 4.25 percent. The notes mature on June 26, 2025.

Management has evaluated subsequent events through October 2, 2024, which is the date the financial statements are available for issuance, and have determined, except as disclosed above, there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)—
Teachers' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability/(asset)	0.162419%	0.162814%	0.159066%	0.153345%	0.153655%	0.152547%	0.148638%	0.147937%	0.147638%	0.152165%
District's proportionate share of the net pension liability/(asset)	\$ 1,857,399	\$ 3,124,220	\$ (27,564,649)	\$ 4,237,337	\$ (3,991,973)	\$ (2,758,444)	\$ (1,129,793)	\$ 1,584,472	\$ (15,334,899)	\$ (16,950,243)
District's covered payroll	\$ 29,997,373	\$ 28,842,908	\$ 27,549,509	\$ 26,666,604	\$ 26,346,775	\$ 24,848,123	\$ 23,554,161	\$ 22,828,235	\$ 23,378,113	\$ 23,515,147
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	6.2%	10.8%	(100.1%)	15.9%	(15.2%)	(11.1%)	(4.8%)	6.7%	(65.6%)	(72.1%)
Plan fiduciary net position as a percentage of the total pension liability	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District's Contributions—
Teachers' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,086,730	\$ 2,826,605	\$ 2,572,970	\$ 2,306,037	\$ 2,723,770	\$ 2,435,116	\$ 2,760,548	\$ 3,027,024	\$ 3,887,673	\$ 3,652,538
Contributions in relation to the contractually required contribution	<u>(3,086,730)</u>	<u>(2,826,605)</u>	<u>(2,572,970)</u>	<u>(2,306,037)</u>	<u>(2,723,770)</u>	<u>(2,435,116)</u>	<u>(2,760,548)</u>	<u>(3,027,024)</u>	<u>(3,887,673)</u>	<u>(3,652,538)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 30,005,042	\$ 29,997,373	\$ 28,842,908	\$ 27,549,509	\$ 26,666,004	\$ 26,346,775	\$ 24,848,123	\$ 23,554,161	\$ 22,828,235	\$ 23,378,113
Contributions as a percentage of covered payroll	10.3%	9.4%	8.9%	8.4%	10.2%	9.2%	11.1%	12.9%	17.0%	15.6%

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
District's proportion of the net pension liability/(asset)	0.0235486%	0.0236611%	0.0223319%	0.0226177%	0.0240139%	0.0244149%	0.0235882%	0.0241841%	0.0249604%	0.0271952%
District's proportionate share of the net pension liability/(asset)	<u>\$ 3,467,300</u>	<u>\$ 5,073,884</u>	<u>\$ (1,825,537)</u>	<u>\$ 22,521</u>	<u>\$ 6,359,007</u>	<u>\$ 1,729,871</u>	<u>\$ 761,295</u>	<u>\$ 2,272,389</u>	<u>\$ 4,006,207</u>	<u>\$ 918,722</u>
District's covered payroll	\$ 9,299,994	\$ 9,493,166	\$ 8,841,912	\$ 8,199,389	\$ 8,806,272	\$ 8,422,967	\$ 8,226,689	\$ 7,852,383	\$ 7,716,218	\$ 7,673,875
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	37.3%	53.4%	(20.6%)	0.3%	72.2%	20.5%	9.3%	28.9%	51.9%	12.0%
Plan fiduciary net position as a percentage of the total pension liability	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District's Contributions—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,320,679	\$ 1,156,228	\$ 1,054,486	\$ 1,315,968	\$ 1,255,803	\$ 1,215,837	\$ 1,187,778	\$ 1,191,873	\$ 1,293,863	\$ 1,412,637
Contributions in relation to the contractually required contribution	<u>(1,320,679)</u>	<u>(1,156,228)</u>	<u>(1,054,486)</u>	<u>(1,315,968)</u>	<u>(1,255,803)</u>	<u>(1,215,837)</u>	<u>(1,187,778)</u>	<u>(1,191,873)</u>	<u>(1,293,863)</u>	<u>(1,412,637)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 9,100,812	\$ 9,090,614	\$ 9,000,054	\$ 8,300,896	\$ 8,697,441	\$ 8,659,798	\$ 8,294,352	\$ 8,236,889	\$ 7,771,396	\$ 7,647,821
Contributions as a percentage of covered payroll	14.5%	12.7%	11.7%	15.9%	14.4%	14.0%	14.3%	14.5%	16.6%	18.5%

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in the District's Total OPEB Liability/(Asset) and Related Ratios
Last Seven Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability/(Asset)							
Service cost	\$ 59,198	\$ (208,941)	\$ (174,883)	\$ 454,267	\$ 361,354	\$ 409,056	\$ 428,181
Interest	55,015	(43,880)	(36,425)	264,714	257,613	302,876	246,050
Changes of assumptions or other inputs	171,675	1,117,999	(343,513)	(2,247,212)	1,025,925	(19,117)	(133,452)
Differences between expected and actual experience	-	2,809,737	-	(7,464,166)	-	(1,623,153)	-
Benefit payments	<u>(115,680)</u>	<u>(217,738)</u>	<u>(201,881)</u>	<u>(443,099)</u>	<u>(350,691)</u>	<u>(475,972)</u>	<u>(404,543)</u>
Net changes in total OPEB liability/(asset)	170,208	3,457,177	(756,702)	(9,435,496)	1,294,201	(1,406,310)	136,236
Total OPEB liability/(asset)—beginning	<u>1,489,564</u>	<u>(1,967,613)</u>	<u>(1,210,911)</u>	<u>8,224,585</u>	<u>6,930,384</u>	<u>8,336,694</u>	<u>8,200,458</u>
Total OPEB liability/(asset)—ending	<u>\$ 1,659,772</u>	<u>\$ 1,489,564</u>	<u>\$ (1,967,613)</u>	<u>\$ (1,210,911)</u>	<u>\$ 8,224,585</u>	<u>\$ 6,930,384</u>	<u>\$ 8,336,694</u>
Plan fiduciary net position							
Contributions—employer	\$ 115,680	\$ 217,738	\$ 201,881	\$ 443,099	\$ 350,691	\$ 475,972	\$ 404,543
Benefit payments	<u>(115,680)</u>	<u>(217,738)</u>	<u>(201,881)</u>	<u>(443,099)</u>	<u>(350,691)</u>	<u>(475,972)</u>	<u>(404,543)</u>
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Total fiduciary net position—beginning	-	-	-	-	-	-	-
Total fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability/(asset)—ending	<u>\$ 1,659,772</u>	<u>\$ 1,489,564</u>	<u>\$ (1,967,613)</u>	<u>\$ (1,210,911)</u>	<u>\$ 8,224,585</u>	<u>\$ 6,930,384</u>	<u>\$ 8,336,694</u>
Plan's fiduciary net position as a percentage of the total OPEB liability/(asset)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a
District's net OPEB liability/(asset) as a percentage of covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*Information prior to the year ended June 30, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local sources:				
Real property taxes and other tax items	\$ 38,127,701	\$ 38,127,701	\$ 38,168,324	\$ 40,623
Charges for services	1,707,000	1,707,000	2,467,906	760,906
Use of money and property	14,000	14,000	1,297,482	1,283,482
Fines and forfeitures	-	-	70,587	70,587
Sale of property and compensation for loss	51,000	51,000	195,518	144,518
Miscellaneous	601,000	601,000	913,003	312,003
State sources:				
Basic formula	32,712,588	32,712,588	28,641,558	(4,071,030)
Lottery	-	-	4,899,857	4,899,857
Board cooperative education	3,249,244	3,249,244	3,598,302	349,058
Textbooks	202,893	202,893	202,194	(699)
Computer software/hardware	120,162	120,162	119,720	(442)
Library loan program	23,708	23,708	23,375	(333)
Federal sources:				
Impact Aid	450,000	450,000	922,031	472,031
Medicaid assistance	150,000	150,000	238,426	88,426
Total revenues	<u>77,409,296</u>	<u>77,409,296</u>	<u>81,758,283</u>	<u>4,348,987</u>
OTHER FINANCING SOURCES				
Transfers in	1,800,000	1,800,000	87,309	(1,712,691)
Appropriated reserves	<u>3,072,000</u>	<u>3,072,000</u>	-	<u>(3,072,000)</u>
Total other financing sources	<u>4,872,000</u>	<u>4,872,000</u>	<u>87,309</u>	<u>(4,784,691)</u>
Total revenues and other financing sources	<u>\$ 82,281,296</u>	<u>\$ 82,281,296</u>	<u>\$ 81,845,592</u>	<u>\$ (435,704)</u>

(continued)

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual		Variance with
	Original	Final	Amounts	Encumbrances	Final Budget
EXPENDITURES					
General support:					
Board of Education	\$ 76,498	\$ 75,942	\$ 52,195	\$ 5,637	\$ 18,110
Central administration	282,894	284,775	279,434	2,302	3,039
Finance	538,232	598,397	539,568	16,353	42,476
Staff	805,509	608,491	477,674	68,176	62,641
Central services	6,680,731	6,793,319	4,793,971	396,735	1,602,613
Special items	870,249	876,212	723,799	253	152,160
Instruction:					
Instruction, administration and improvement	2,109,597	2,127,020	2,008,004	12,626	106,390
Teaching—regular school	24,122,824	24,368,053	22,575,893	150,485	1,641,675
Programs for pupils with handicapping conditions	12,622,921	11,979,350	11,172,424	176,728	630,198
Occupational education	1,862,528	1,862,528	1,811,835	33,205	17,488
Teaching—special schools	145,332	157,773	141,381	-	16,392
Instructional media	2,050,395	2,033,489	1,915,587	36,139	81,763
Pupil services	3,280,674	3,369,659	3,151,619	73,702	144,338
Pupil transportation	5,124,206	5,722,324	5,099,600	265,105	357,619
Employee benefits	18,762,892	18,345,699	16,854,361	120,586	1,370,752
Debt service:					
Principal	-	52,599	52,599	-	-
Total expenditures/encumbrances	79,335,482	79,255,630	71,649,944	1,358,032	6,247,654
OTHER FINANCING SOURCES					
Transfers out	6,168,691	6,248,543	6,063,167	-	185,376
Total expenditures/encumbrances and other financing uses	85,504,173	85,504,173	77,713,111	1,358,032	6,433,030
Net change in fund balances*	(3,222,877)	(3,222,877)	4,132,481		
Fund balance—beginning	23,443,702	23,443,702	23,443,702		
Fund balance—ending	\$ 20,220,825	\$ 20,220,825	\$ 27,576,183		

*The net change in fund balances was included as an appropriation (i.e. spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Notes to the Required Supplementary Information
Year Ended June 30, 2024

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond rate, the mortality rate, and the healthcare cost trend rate. The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date, which increased from 3.69% as of June 30, 2023 to 3.86% at June 30, 2024. Mortality rates were updated to rates based on the sex-distinct and job-category-specific headcount-weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, and then adjusted for mortality improvements with Scale MP-2021 mortality improvement scaled on a generational basis. Finally, the healthcare cost trend rate has an initial rate of 4.50% decreasing to an ultimate rate of 4.04%.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. No formal annual budget is adopted for the Special Aid, School Lunch, Special Revenue, Student Activities and Debt Service funds. Appropriation limits, where applicable, for the Special Aid Fund, Special Purpose Fund and Debt Service Fund are maintained based on individual grants and donations, fundraising revenues accepted by the Board of Education or debt schedules. The periods of such grants may vary from the District's fiscal year. A budget is maintained for the School Lunch Fund and Special Revenue funds as a management tool for internal control purposes. No budget is adopted for the Student Activities Fund as the extracurricular activities of the District are maintained by the individual clubs. The Tuscarora Indian School prepares a proposed budget for the Tuscarora Indian Education Fund requiring approval by the New York State Native American Unit. As such, a reconciliation of the ending fund balance on the Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget (Non-GAAP Basis) to the actual—General Fund to the ending fund balance on Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds follows:

Ending fund balance—Schedule of Revenues, Expenditures, and Changes in Fund	
Balance—Budget (Non-GAAP Basis) and Actual—General Fund	\$ 27,576,183
Tuscarora Indian School deficit fund balance	<u>(387,479)</u>
Ending fund balance—Statement of Revenues, Expenditures, and Changes in Fund	
Balance—Governmental Funds	<u>\$ 27,188,704</u>

The appropriated budget is prepared by fund, function, and department. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

SUPPLEMENTARY INFORMATION

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit—General Fund
Year Ended June 30, 2024

Change from Adopted Budget to Final Budget

Adopted budget 2023-2024	\$ 84,470,329
Add: Prior year's encumbrances	<u>1,033,844</u>
Original budget 2023-2024	<u>85,504,173</u>
Final budget 2023-2024	<u>\$ 85,504,173</u>

Section 1318 of Real Property Tax Law Limit Calculation

2024-2025 voter approved expenditure budget	<u>\$ 87,072,229</u>
Maximum allowed (4% of 2024-2025 budget)	<u><u>\$ 3,482,889</u></u>

General Fund fund balance subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	\$ 5,547,065
Unassigned fund balance	<u>3,482,888</u>
Total unrestricted fund balance	9,029,953
Less:	
Appropriated fund balance	\$ 2,189,033
Encumbrances included in assigned fund balance	<u>1,358,032</u>
Total adjustments	<u><u>3,547,065</u></u>

General Fund fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 5,482,888</u></u>
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Actual percentage	6.30%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of General Fund fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance, minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Capital Project Expenditures
Year Ended June 30, 2024

Project Title	Original Appropriation	Revised Appropriation	Expenditures to date			Unexpended Balance
			Prior Years	Current Year	Total	
Phase IV - 2016 Capital Project	\$ -	\$ 446,050	\$ 444,944	\$ -	\$ 444,944	\$ 1,106
Phase I & II- 2020 Capital Project	27,581,524	26,977,753	26,977,753	-	26,977,753	-
Phase III - 2020 Capital Project	1,786,644	2,064,236	1,718,501	345,735	2,064,236	-
Phase IV - 2020 Capital Project	10,000	717,240	230,684	486,556	717,240	-
Phase V - 2020 Capital Project		240,771	-	2,363	2,363	238,408
Phase IA - 2022 Capital Project	896,435	1,444,941	855,280	589,661	1,444,941	-
Phase IB - 2022 Capital Project	1,953,213	1,766,028	216,932	1,549,096	1,766,028	-
Phase IIA - 2022 Capital Project	4,778,199	4,937,298	593,653	1,637,668	2,231,321	2,705,977
Phase IIB - 2022 Capital Project	1,505,838	1,713,287	120,317	429,095	549,412	1,163,875
Phase IIC - 2022 Capital Project	50,000	1,166,722	34,222	1,132,500	1,166,722	-
Phase III - 2022 Capital Project	1,114,172	1,114,172	13,410	216,223	229,633	884,539
Phase IV - 2022 Capital Project	1,866,543	1,866,543	22,988	(22,988)	-	1,866,543
Phase V - 2022 Capital Project	125,000	125,000	-	72,840	72,840	52,160
Smart Schools	2,707,858	2,707,858	2,621,964	50,313	2,672,277	35,581
Steig Parking Lot	635,000	635,000	451,863	-	451,863	183,137
Decton Unit	400,000	400,000	388,389	-	388,389	11,611
	<u>\$ 45,410,426</u>	<u>\$ 48,322,899</u>	<u>\$ 34,690,900</u>	<u>\$ 6,489,062</u>	<u>\$ 41,179,962</u>	<u>\$ 7,142,937</u>

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
June 30, 2024

Capital assets, net of accumulated depreciation/amortization \$118,737,884

Add:

Unspent debt proceeds	\$	757,355	
Deferred charge on refunding		<u>2,348</u>	759,703

Deduct:

Serial bonds	\$	(25,965,000)	
Premiums on bonds payable		(1,383,856)	
Energy performance contract		(1,925,658)	
Lease liability		(98,494)	
Capital Projects Fund accounts payable		<u>(434,252)</u>	<u>(29,807,260)</u>

Net investment in capital assets \$ 89,690,327

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OTHER INFORMATION

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet—General Fund and
Tuscarora Indian Education Fund
June 30, 2024

	General	Tuscarora Indian Education	Elimination	Combined
ASSETS				
Cash and cash equivalents	\$ 6,896,264	\$ -	\$ -	\$ 6,896,264
Restricted cash and cash equivalents	18,012,938	302,789	-	18,315,727
Receivables	86,592	-	-	86,592
Due from other funds	4,060,331	8,388	(658,237)	3,410,482
Intergovernmental receivables	4,018,652	-	-	4,018,652
Restricted intergovernmental receivables—Tuscarora	-	533,292	-	533,292
Total assets	<u>\$ 33,074,777</u>	<u>\$ 844,469</u>	<u>\$ (658,237)</u>	<u>\$ 33,261,009</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 15,112	\$ 729	\$ -	\$ 15,841
Accrued liabilities	542,103	39,329	-	581,432
Due to other funds	370,395	658,598	(658,237)	370,756
Due to retirement systems	3,442,943	-	-	3,442,943
Total liabilities	<u>4,370,553</u>	<u>698,656</u>	<u>(658,237)</u>	<u>4,410,972</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues—State aid receivable	1,128,041	533,292	-	1,661,333
Total deferred inflows of resources	<u>1,128,041</u>	<u>533,292</u>	<u>-</u>	<u>1,661,333</u>
FUND BALANCES (DEFICIT)				
Nonspendable	533,292	-	(533,292)	-
Restricted	18,012,938	-	145,813	18,158,751
Assigned	5,547,065	-	-	5,547,065
Unassigned	3,482,888	(387,479)	387,479	3,482,888
Total fund balances (deficit)	<u>27,576,183</u>	<u>(387,479)</u>	<u>-</u>	<u>27,188,704</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 33,074,777</u>	<u>\$ 844,469</u>	<u>\$ (658,237)</u>	<u>\$ 33,261,009</u>

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statements of Revenues, Expenditures and Changes in Fund Balances (Deficit)—
General Fund and Tuscarora Indian Education Fund
Year Ended June 30, 2024

	General	Tuscarora Indian Education	Elimination	Combined
REVENUES				
Real property taxes and other tax items	\$ 38,168,324	\$ -	\$ -	\$ 38,168,324
Charges for services	2,467,906	-	-	2,467,906
Use of money and property	1,297,482	2,684	-	1,300,166
Fines and forfeitures	70,587	-	-	70,587
Sale of property and compensation for loss	195,518	-	-	195,518
Miscellaneous	913,003	-	-	913,003
State sources	37,485,006	4,758,266	-	42,243,272
Federal sources	<u>1,160,457</u>	<u>50,436</u>	<u>-</u>	<u>1,210,893</u>
Total revenues	<u>81,758,283</u>	<u>4,811,386</u>	<u>-</u>	<u>86,569,669</u>
EXPENDITURES				
Current:				
General support	6,866,641	902,095	-	7,768,736
Instruction	42,776,743	2,431,960	-	45,208,703
Pupil transportation	5,099,600	-	-	5,099,600
Employee benefits	16,854,361	1,253,299	-	18,107,660
Debt service:				
Principal	<u>52,599</u>	<u>-</u>	<u>-</u>	<u>52,599</u>
Total expenditures	<u>71,649,944</u>	<u>4,587,354</u>	<u>-</u>	<u>76,237,298</u>
Excess of revenues over expenditures	<u>10,108,339</u>	<u>224,032</u>	<u>-</u>	<u>10,332,371</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	87,309	-	-	87,309
Transfers out	<u>(6,063,167)</u>	<u>(62,417)</u>	<u>-</u>	<u>(6,125,584)</u>
Total other financing sources (uses)	<u>(5,975,858)</u>	<u>(62,417)</u>	<u>-</u>	<u>(6,038,275)</u>
Net change in fund balances (deficit)	4,132,481	161,615	-	4,294,096
Fund balances (deficit)—beginning	<u>23,443,702</u>	<u>(549,094)</u>	<u>-</u>	<u>22,894,608</u>
Fund balances (deficit)—ending	<u>\$ 27,576,183</u>	<u>\$ (387,479)</u>	<u>\$ -</u>	<u>\$ 27,188,704</u>

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FEDERAL AWARDS INFORMATION

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor Program or Cluster Title (1a)	Federal Assistance Listing Number (1b)	Pass Through Entity's Identifying Number (1c)	Passed- Through to Subrecipients	Total Federal Expenditures (1d)
U.S. DEPARTMENT OF AGRICULTURE:				
<i>Passed through New York State Department of Agriculture:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	n/a	\$ -	298,534
National School Lunch Program	10.555	n/a	-	956,677
Total Child Nutrition Cluster			-	1,255,211
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	1,255,211
U.S. DEPARTMENT OF EDUCATION:				
<i>Passed through New York State Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	0021-24-1960	-	695,923
Title I Grant to Local Educational Agencies, School Improvement	84.010A	0011-23-2142	-	10,833
Total Title I Grants to Local Educational Agencies			-	706,756
Special Education Cluster:				
Special Education—Grants to States	84.027	032-23-0607	-	2,470
Special Education—Grants to States	84.027	032-24-0607		818,068
Special Education—Preschool Grants	84.173	033-24-0607	-	29,787
Special Education—Preschool Grants—ARP	84.173X	5533-22-0607	-	7,176
Total Special Education Cluster			-	857,501
Impact Aid	84.041	N/A	-	972,467
Supporting Effective Instruction State Grants	84.367	0147-23-1960	-	79,350
Supporting Effective Instruction State Grants	84.367	0147-24-1960	-	29,869
Total Supporting Effective Instruction State Grants			-	109,219
Student Support and Academic Enrichment Program	84.424	0204-23-1960	-	21,979
Student Support and Academic Enrichment Program	84.424	0204-24-1960	-	6,986
Total Student Support and Academic Enrichment Program			-	28,965
Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	84.425C	5896-21-1960	-	(5,303)
Elementary and Secondary School Education Relief Fund	84.425D	5891-21-1960		385,893
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5532-22-0607	-	24,676
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5880-21-1960	-	1,155,420
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5882-21-1960	-	69,687
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5883-21-1960	-	11,985
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5884-21-1960	-	187,316
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	5218-21-1960	-	11,670
Total Education Stabilization Fund			-	1,841,344
TOTAL U.S. DEPARTMENT OF EDUCATION			-	4,516,252
TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)			\$ -	\$ 5,771,463

The notes to this schedule of expenditures of federal awards are an integral part of this schedule.

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NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Niagara Wheatfield Central School District, New York (the "District") under programs of federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. The following notes were identified on the schedule:

- a) Includes all federal award programs of the Niagara Wheatfield Central School District, New York.
- b) Source: Federal Assistance Listing Numbers, previously known as Catalog of Federal Domestic Assistance
- c) Pass-through entity identifying numbers are presented where available.
- d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- e) Total federal expenditures for the District's 2023-2024 fiscal year are reconciled to Federal sources as reported in the basic financial statements as follows:

Balance per schedule of expenditures of federal awards	\$ 5,771,463
Medicaid reimbursement	<u>238,426</u>
Total Federal Sources per financial statements	<u><u>\$ 6,009,889</u></u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. NON-MONETARY FEDERAL PROGRAM

The District is the recipient of a federal award program that does not result in cash receipts or disbursements termed a "non-monetary program." During the year ended June 30, 2023, the District used \$141,314 worth of commodities.

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DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



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

The Board of Education
Niagara Wheatfield Central School District, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Niagara Wheatfield Central School District, New York (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 2, 2024.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

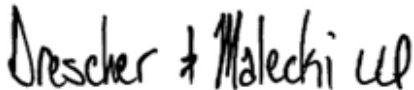
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed a significant deficiency in compliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

District's Response to Finding

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

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.



October 2, 2024

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



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

The Board of Education
Niagara Wheatfield Central School District, New York:

Report on Compliance for Each Major Federal Program

Opinion on Major Each Federal Program

We have audited the Niagara Wheatfield Central School District, New York's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

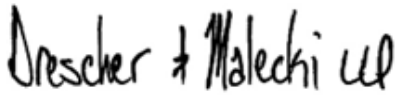
Report on Internal Control Over Compliance

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

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

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

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

Handwritten signature of Drescher & Malecki LLP in black ink.

October 2, 2024

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None reported

Noncompliance material to the financial statements noted? _____ Yes ✓ No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? _____ Yes ✓ No

Identification of major federal programs:

Name of Federal Program or Cluster	Federal Assistance Listing Number(s)
Special Education Cluster	84.027/84.173/84.173X
Impact Aid	84.041

Dollar threshold used to distinguish between Type A and Type B programs? \$ 750,000

Auditee qualified as low-risk auditee? ✓ Yes _____ No

Section II. FINANCIAL STATEMENT FINDINGS

We consider the following deficiency to be a significant deficiency in compliance.

Finding 2024-001—Unrestricted Fund Balance Calculation

Criteria—Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4 percent of the next year’s budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4 percent limitation. Under GASB Statement No. 54 fund balance classifications, the 4 percent limitation is interpreted to be applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

Condition and Context—Available fund balance in the District’s General Fund exceeded 4 percent of the subsequent year’s budgeted appropriations.

Cause—The District’s unrestricted General Fund fund balance minus appropriated fund balance and amounts assigned for encumbrances is in excess of the 4 percent limitation.

Effect or Potential Effect—The District is not in compliance with New York State Real Property Tax Law §1318, which is subject to criticism from New York State and potential further repercussions.

Recommendation—We suggest that the District consider the establishment of certain restricted fund balance or increasing current restrictions.

View of Responsible Officials and Corrective Action Plan—The District and Board of Education have developed a long-term strategic financial plan to ensure the continued financial stability of the District. The Board has approved the holding of these funds in an Assigned Unappropriated account with the intention of establishing a capital reserve fund to be included on the ballot at an upcoming budget vote.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT, NEW YORK
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2024
(Follow-up on June 30, 2023 Findings)

Finding 2023-001—Unrestricted Fund Balance Calculation

Criteria—Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4 percent of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4 percent limitation. Under GASB Statement No. 54 fund balance classifications, the 4 percent limitation is interpreted to be applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

Condition and Context—Available fund balance in the District's General Fund exceeded 4 percent of the subsequent year's budgeted appropriations.

Cause—The District's unrestricted General Fund fund balance minus appropriated fund balance and amounts assigned for encumbrances is in excess of the 4 percent limitation.

Effect or Potential Effect—The District is not in compliance with New York State Real Property Tax Law §1318, which is subject to criticism from New York State and potential further repercussions.

Recommendation—We suggest that the District consider the establishment of certain restricted fund balance or increasing current restrictions.

View of Responsible Officials and Corrective Action Plan—The District and Board of Education have developed a long-term strategic financial plan to ensure the continued financial stability of the District. The Board has approved the holding of these funds in an Assigned Unappropriated account with the intention of establishing a capital reserve fund to be included on the ballot at an upcoming budget vote.

Current Status—See finding 2024-001 for current status.

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APPENDIX C
Form of Legal Opinion

June 25, 2025

The Board of Education of the
Niagara Wheatfield Central School District,
in the County of Niagara, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to Niagara Wheatfield Central School District, in the County of Niagara (the “District”), a school district of the State of New York, and have examined a record of proceedings relating to the authorization, sale and issuance of the \$35,215,000 Bond Anticipation Note-2025 (the “Note”), dated and delivered the date hereof.

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

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

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

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

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

On the date of issuance of the Note, the District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the District represents that it will comply with

the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

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

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

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

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

Very truly yours,

APPENDIX – D

Description of Undertaking to Provide Notices of Events

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

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

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

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

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

“Issuer” shall mean Niagara Wheatfield Central School District, in the County of Niagara, a School District of the State of New York.

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

“Purchaser” shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of July 30, 2024.

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

“Securities” shall mean the Issuer’s \$35,215,000 Bond Anticipation Note-2025, dated June 25, 2025, maturing on June 25, 2026, and delivered on the date hereof.

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

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
- (7) modifications to rights of Securities holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

- (13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

- (15) Issuance of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priorities rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

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

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

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

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

- (a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

- (d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

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

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

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **June 25, 2025**.

NIAGARA WHEATFIELD CENTRAL SCHOOL DISTRICT

By _____
PRESIDENT OF THE BOARD OF EDUCATION