

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2026**

**RATING: SEE "RATING" SECTION HEREIN**

**SERIAL BONDS**

*In the opinion of Bond Counsel, under the existing statutes, regulations and court decisions, interest on the Bonds is excludable from gross income for Federal income tax purposes, and, under the existing statutes, interest on the Bonds is exempt from New York State and New York City personal income taxes. In the opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of Federal alternative minimum tax; however, interest on the Bonds 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. No opinion is expressed regarding other Federal tax consequences arising with respect to the Bonds. See "Tax Exemption" herein.*

**The Bonds will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.**

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
ONEIDA COUNTY, NEW YORK  
\$8,195,000  
SCHOOL DISTRICT SERIAL BONDS, 2026  
(the "Bonds")**

**Dated Date: June 17, 2026**

**Maturity Dates: June 15, 2027-2041**

**MATURITIES**

<b>Year</b>	<b>Amount*</b>	<b>Year</b>	<b>Amount*</b>	<b>Year</b>	<b>Amount*</b>
2027	\$355,000	2032	\$475,000	2037	\$635,000 **
2028	420,000	2033	495,000	2038	665,000 **
2029	395,000	2034	520,000	2039	700,000 **
2030	455,000	2035	545,000 **	2040	735,000 **
2031	465,000	2036	605,000 **	2041	730,000 **

\*Principal amounts are subject to change pursuant to the accompanying Notice of Bond Sale in order to achieve substantially level or declining annual debt service.

\*\* The Bonds maturing in the years 2035-2041 are subject to redemption prior to maturity. See "DESCRIPTION OF THE BONDS – Optional Redemption for the Bonds" herein.

The Bonds are general obligations of the Westmoreland Central School District, Oneida County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon, without limitation as to rate or amount, subject to applicable statutory limitations. See "Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein..

The Bonds will be issued as registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 each or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on Bonds will be payable on December 15, 2026, and semi-annually thereafter on June 15 and December 15 in each year until maturity (or early redemption). Principal and interest will be paid by the District to DTC, which in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY-SYSTEM" herein. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$8,195,000 and accrued interest, if any, on the total principal amount of the Bonds. Proposals must be accompanied by a good faith deposit in the form of a wire transfer or certified or cashier's check, payable to the order of Westmoreland Central School District, Oneida County, New York, in the amount of \$81,950.

The Bonds are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the legal opinion as to the validity of the Bonds of Timothy R. McGill, Esq., of Fairport, New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about June 17, 2026.

Electronic or Facsimile bids will be received THURSDAY, June 4, 2026 until 10:00 a.m. Prevailing Time, in accordance with the Notice of Bond Sale that accompanies this Official Statement at R.G. Timbs, Inc., 11 Meadowbrook Road, Whitesboro New York 13492, fax (315) 266-9212. Electronic bids for the Bonds may be submitted via facsimile or iPreo's Parity Electronic Bid Submission System ("PARITY"), also in accordance with the terms stated in the Notice of Bond Sale. No bids will be accepted after the time for receiving bids as detailed above.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF BOND SALE WITH RESPECT TO THE BONDS. THE DISTRICT WILL ENTER INTO UNDERTAKINGS FOR THE BONDS TO PROVIDE CERTAIN CONTINUING DISCLOSURE, AS REQUIRED BY THE RULE (SEE "DISCLOSURE UNDERTAKING,") HEREIN.

DATED: MAY 21, 2026

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
ONEIDA COUNTY, NEW YORK**

School District Officials

**2025-26 BOARD OF EDUCATION**

John Acee - President  
Christine Calogero - Vice President

Steven Bulger  
Heather Johnson  
Paul Kulpa  
Pamela Murphy  
Denise Szarek

.....

Rocco Migliori – Superintendent of Schools  
Luke Willson – Business Administrator/Treasurer  
Mary Barber – School District Student Activity Treasurer  
Erin Robinson – District Clerk

.....

**School District Attorney**

Ferrara Fiorenza PC

**BOND COUNSEL**

**Timothy R. McGill, Esq.**

**MUNICIPAL ADVISOR**



**R. G. Timbs, Inc.**

No person has been authorized by the 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 District.

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**PREPARED WITH THE ASSISTANCE OF:**

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 Whitesboro, New York 13492  
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**OFFICIAL STATEMENT**  
**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**ONEIDA COUNTY, NEW YORK**

**Relating To**  
**\$8,195,000**  
**SCHOOL DISTRICT SERIAL BONDS, 2026**  
**(the “Bonds”)**

This Official Statement, which includes the cover page, has been prepared by the Westmoreland Central School District, Oneida County, New York (the “District” or “School District”, “County” and “State,” respectively) in connection with the sale by the District of its \$8,195,000 School District Serial Bonds, 2026 (the “Bonds”).

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

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

**DESCRIPTION OF THE BONDS**

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

The Bonds will be dated June 17, 2026 and mature in the principal amounts and on the dates as set forth on the cover page. The Bonds are subject to redemption prior to maturity as described herein under the heading “Optional Redemption” hereunder. The “Record Date” of the Bonds will be the last business day of the calendar month preceding each such interest payment date.

The Bonds will be issues as registered bonds and, when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Principal and Interest will be paid by the District to the Securities Depository, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds bear interest from June 17, 2026, with interest thereon payable on December 15, 2026, and semi-annually thereafter on June 15 and December 15.

**Optional Redemption for the Bonds**

The Bonds maturing on or before June 15, 2034 will not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2035 will be subject to redemption prior to maturity as a whole or in part (selected at random if less than all of a maturity is to be redeemed) at the option of the District on June 15, 2034 or any date thereafter at par (100%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the District at random (by lot or in any other customary manner of selection as determined by the President of the Board of Education). Notice of such call for redemption shall be given by mailing such notice to the registered owners of the Bonds not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

### **Purpose and Authorization for the Bonds**

The Bonds are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a Bond Resolution dated March 12, 2024 authorizing the issuance of up to \$8,195,000 in Bond Anticipation Notes or Bonds for the financing of construction and reconstruction of school buildings and facilities. The District issued \$7,835,000 Bond Anticipation Notes on July 29, 2025.

A portion of the proceeds of the Bonds in the amount of \$7,835,000 will be used to redeem and retire the outstanding bond anticipation note and provide \$360,000 of new money.

### **Certificated Bonds**

In the event the book-entry-only system is discontinued the following provisions will apply: The Bonds will be issued registered form in denominations of \$5,000 each or integral multiples thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District upon termination of the book-entry-only system. Interest on the Bonds will remain payable on December 15, 2026, and semi-annually thereafter on June 15 and December 15, in each year to maturity. Interest on the Bonds will be payable by check or draft mailed by the fiscal agent to the registered owners of the Bonds, as shown on the registration books of the District maintained by the fiscal agent as of the close of business on the Record Date, being the last day of business day of the calendar month preceding each interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner for Bonds of the same maturity or any other authorized denomination or denominations in the same aggregate principal amount in the manner described on the Bonds and as referenced in certain proceedings of the District referred to therein.

### **Nature of the Obligation**

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

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

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

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

procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

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

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

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

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

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

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

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

not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

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

### **Book-Entry-Only System**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC.

DTC, 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond 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, bond 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

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

## **THE SCHOOL DISTRICT**

### **General Information**

The Westmoreland Central School District, established in 1929, covers approximately 43 square miles in the Towns of Westmoreland, Whitestown and Vernon and the City of Rome, all in Oneida County. The School District is situated approximately 40 miles east of Syracuse and 10 miles west of Utica, just off the New York State Thruway at Exit 32. The community is primarily residential. It has evolved from an agriculturally based economy to a community of people employed in a variety of occupations, professions and small businesses, many of whom commute to work outside of Westmoreland, many families continue their involvement in farming and related occupations.

Electricity is provided by National Grid, together with natural gas for some District residents. Telephone service is provided by Verizon New York Inc. Police protection is provided by the Oneida County Sheriff's Department and the New York State Police. The School District is served by New York State Route 233, with access to the New York State Thruway available at Rome and Utica. Air transportation is also available in Utica.

Higher educational opportunities are available at Hamilton College, the State University College of Technology at Utica-Rome, the Mohawk Valley and Herkimer County Community Colleges, the Utica College of Syracuse University and the Utica School of Commerce. Close by are Colgate University, Syracuse University and Le Moyne College. The School District is near some of the finest recreational areas: the Adirondacks, with its lakes and mountains, and the Catskill Mountains. Golf courses, ski slopes, harness racing and the recreational facilities of the Oneida National are but a short distance away.

### **District Population**

The 2024 population of the School District is estimated to be 6,039. (Source: 2024 U.S. Census Bureau estimate)

### **Economic Developments**

Alpine House purchased 30 acres of land and is going to put an RV sales and service business just off the thruway.

There is a potential solar farm project in the works in the District, but no construction has started yet. This project is still in the planning board phase.

## 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 City, Towns and County listed below. The figures set below with respect to such City, Towns, County and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the City, Towns, County 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>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
City of:						
Rome	\$ 21,989	\$ 26,731	\$ 33,321	\$ 55,630	\$ 66,714	\$ 80,180
Towns Of:						
Vernon	24,579	37,618	45,774	59,563	90,541	100,952
Westmoreland	28,847	34,482	48,457	75,335	81,270	121,163
Whitestown	27,192	33,388	44,096	66,969	77,391	101,926
County Of:						
Oneida	23,458	30,678	37,903	58,017	74,796	90,731
State Of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Note: 2021-2025 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 2010-2024 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>
DeForrest Hill Elementary	PK-4	1965	700	2013
Westmoreland Middle School	5-8	2002	765	2013
Westmoreland High School	9-12	1940	700	2016

Source: District Official

## District Employees

The School District employs 149 full-time employees and 1 part-time employees. The number of members, the collective bargaining units which represent them, and their current contract expiration dates are as follows

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
Westmoreland Teachers' Association	78	6/30/2026*
Westmoreland Non-Instructional Association	57	6/30/2026*
Supervisors	7	6/30/2026*
Administrators	5	6/30/2026*
Non-Bargaining Unit	3	N/A

\*Currently under negotiations.  
Source: District Officials

## Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2021-22	865	2026-27	780
2022-23	820	2027-28	780
2023-24	804	2028-29	780
2024-25	788	2029-30	780
2025-26	775	2030-31	780

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.

- 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 adopted budgeted figures for the 2025-26 fiscal years and the proposed budgeted figures for the 2026-27 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 291,189	\$ 613,068
2021-2022	315,592	691,271
2022-2023	247,203	774,183
2023-2024	287,985	769,624
2024-2025	348,417	732,030
2025-2026 (Budgeted)	412,000	1,103,698
2026-2027 (Proposed)	442,583	1,089,902

Source: District records.

Source: Audited financial statements for the 2020-2021 fiscal year through the 2024-2025 fiscal year and the adopted budget of the District for the 2025-2026 fiscal year and the proposed budget of the District for the 2026-2027 fiscal year. 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 (2021-22 to 2026-27) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2021-2022	16.2%	9.80%
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	11.20
2025-2026	16.5	9.59
2026-2027	17.6	8.24 *

\*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. As of the date of this Official Statement, the District has opened a TRS fund. The District has set up a TRS Reserve which was funded with \$120,00 contribution on June 30, 2019, \$120,000 on June 30, 2020, \$120,000 on June 30, 2021 and \$120,000 on June 30, 2022.

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** - 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 July 1, 2024 and financial data as of June 30, 2025, the School District's beginning year total OPEB liability was \$45,575,849, the net change for the year was (\$11,525,111) resulting in

a total OPEB liability of \$34,050,738 for a fiscal year ending June 30, 2025. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2025, 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

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
New York State Correctional Facilities	Prisons	978
Westmoreland Central School District	Education	149
MBCI Steel	Steel & Aluminum Siding	25
NORBCO	Tractor and Farm Equipment	20
Tri-Valley Beverage	Beverage Distributor	15

### Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are Delaware and Otsego Counties. 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 District is necessarily representative of the County or vice versa.

<u>Year</u>	<u>Oneida County Unemployment Rate</u>	<u>New York State Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
2021	5.1%	7.1%	5.3%
2022	3.6%	4.3%	3.5%
2023	3.5%	4.1%	3.7%
2024	3.7%	4.3%	4.0%
2025	3.9%	4.3%	4.3%

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

	<b><u>2025-2026 Monthly Figures</u></b>											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Oneida County	3.4%	3.3%	3.6%	4.1%	4.0%	3.7%	N/A	3.7%	3.8%	4.4%	4.7%	4.2%
New York State	3.8%	3.8%	4.1%	4.8%	4.7%	4.4%	N/A	4.4%	4.3%	4.7%	5.2%	4.4%

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).  
 N/A Information is not available due to Government shutdown.

## **Investment Policy**

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposit accounts in, certificates of deposit issued by or a deposit placement program (as provided by statute) with a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) obligations issued pursuant to Local Finance Law Sections 24.00 (tax anticipation notes) or 25.00 (revenue anticipation notes) with approval of the State Comptroller, by any municipality, school district or district corporation other than the School District; and (6) in the case of the School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible letter of credit or an eligible surety bond, as each such term is defined in the law, or satisfy the statutory requirements of the deposit placement program.

Consistent with the above statutory limitations, it is the School District’s current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

## **Form of School Government**

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

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

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

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the School District. However, certain of the financial management functions of the School District are the responsibility of the Superintendent and 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 194 to 75. 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 294 to 118. 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 214 to 67. 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 56.80% 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.

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

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

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

#### **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 States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 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 an 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 2025-26 fiscal year:

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	\$ 21,247,477	\$ 11,925,804	56.13%
2021-2022	22,796,288	12,718,912	55.79
2022-2023	22,849,335	13,180,906	57.69
2023-2024	23,944,587	12,949,524	54.08
2024-2025	24,581,390	13,127,667	53.40
2025-2026 (Budgeted)	25,059,744	14,234,531	56.80
2026-2027 (Proposed)	27,111,638	15,237,640	56.20

Source: Audited financial statements for the 2020-2021 fiscal year through the 2024-2025 fiscal year and the adopted budget of the District for the 2025-2026 fiscal year and the proposed 2026-2027 fiscal year. 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 if the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2025	No Designation	3.3
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	3.3
2021	No Designation	20.0

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.

## **New York State Comptroller Report of Examination**

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

The State Comptroller's office released an audit report of the District on December 22, 2017. The purpose of the audit was to determine whether the District applied for all State transportation aid to which it was entitled for the purchase of new buses for the period January 1, 2008 through June 30, 2017.

### **Key Findings**

- District officials did not apply for State transportation aid within one year of purchase for 18 buses purchased during our audit period.
- During our audit, the Business Manager prepared and submitted State aid forms to the New York State Department of Education for the 18 buses, and the District should receive approximately \$1.3 million in transportation aid for these buses through 2021-22.

### **Key Recommendations**

- Implement procedures to ensure the timely preparation and submission of transportation aid forms.
- Ensure that the Business Manager prepares an annual reconciliation of transportation aid expected to be received with the actual amounts received.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller's 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 Bonds 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, 2025 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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuations:					
Rome	\$ 13,321,103	\$ 13,338,516	\$ 13,328,342	\$ 13,575,725	\$ 13,765,383
Vernon	610,464	609,581	606,487	605,067	605,323
Westmoreland	199,573,121	199,548,665	200,641,576	201,372,016	203,237,580
Whitestown	<u>17,279,097</u>	<u>17,106,108</u>	<u>17,216,033</u>	<u>17,265,651</u>	<u>17,204,275</u>
Total	<u>\$ 230,783,785</u>	<u>\$ 230,602,870</u>	<u>\$ 231,792,438</u>	<u>\$ 232,818,459</u>	<u>\$ 234,812,561</u>
Equalization Rates:					
Rome	66.09%	61.03%	53.51%	45.38%	45.37%
Vernon	64.50%	61.00%	52.00%	47.50%	47.20%
Westmoreland	58.00%	53.00%	43.00%	38.00%	38.00%
Whitestown	58.00%	58.00%	53.00%	47.00%	42.00%
Full Valuation:					
Rome	\$ 20,156,004	\$ 21,855,671	\$ 24,908,133	\$ 29,915,657	\$ 30,340,276
Vernon	946,456	999,313	1,166,321	1,273,825	1,282,464
Westmoreland	344,091,588	376,506,915	466,608,316	529,926,358	534,835,737
Whitestown	<u>29,791,547</u>	<u>29,493,290</u>	<u>32,483,081</u>	<u>36,735,428</u>	<u>40,962,560</u>
Total	<u>\$ 394,985,594</u>	<u>\$ 428,855,189</u>	<u>\$ 525,165,852</u>	<u>\$ 597,851,267</u>	<u>\$ 607,421,036</u>

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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Rome	\$ 32.53	\$ 33.09	\$ 31.97	\$ 34.36	\$ 34.92
Vernon	33.79	33.10	32.90	32.82	33.57
Westmoreland	37.06	38.10	39.78	41.03	41.70
Whitestown	37.06	34.81	32.28	33.17	37.72

## Tax Collection Procedure

School taxes are due September 1. If paid by September 30, no penalty is imposed. There is a 2% penalty if paid by the end of October. On November 1 a list of all unpaid taxes is given to the Counties for relevy on County/Town tax rolls. The School District is reimbursed by the Counties for all unpaid taxes the first week of April in each year and is thus assured of 100% collection of its annual levy.

## Tax Collection Record

Fiscal Year Ended June 30:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026*</u>
Total Tax Levy	\$8,490,526	\$8,659,487	\$8,984,218	\$9,321,126	\$9,624,063
Less STAR Reimbursement	1,610,830	1,356,785	1,244,972	1,138,142	1,064,098
Adjustments	-4,548	-906	-57,070	0	0
Total Taxes to be Collected	6,875,148	7,301,799	7,682,176	8,182,984	8,559,965
Taxes Collected Prior to Return to County	6,513,051	6,820,835	7,283,113	7,762,935	8,139,383
Returned to County	\$362,097	\$480,964	\$399,063	\$420,049	\$420,582
% Collected Prior to Return	94.73%	93.41%	94.81%	94.87%	95.09%

Notes: \* Collection information is as of 12/4/25

## 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.

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2020-2021	\$ 21,247,477	\$ 6,681,882	31.45%
2021-2022	22,796,288	6,879,696	30.18
2022-2023	22,849,355	7,302,705	31.96
2023-2024	23,944,587	7,682,178	32.08
2024-2025	24,581,390	8,182,984	33.29
2025-2026 (Budgeted)	25,059,744	9,624,063	38.40
2026-2027 (Proposed)	27,111,638	10,008,063	36.91

Source: Audited financial statements for the 2020-2021 fiscal year through 2024-2025 fiscal year and the adopted budget of the District for the 2025-2026 fiscal year and the proposed budget of the District for the 2026-2027 fiscal year. This table is not audited.

## Major Taxpayers 2025

### For 2025-26 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Full Value</u>
Camelot Partners, LLC	Real Estate	\$ 18,235,557
National Grid	Utility	13,318,711
Westmoreland ASC, LLC	Medical	8,757,500
NCI Group, Inc	Manufacturing	7,407,778
Allen Timothy	Distribution	3,609,167
Camelot Partners, LLC	Real Estate	3,473,613
TJ Sheehan Distributing, Inc	Distribution	2,925,408
Second Garden Park LP	Real Estate	2,817,778
Buckeye Pipe Line Co	Utility	2,237,186
Stewart's Shops	Retail	1,830,556
Total		<hr/> \$ 64,613,254

1. The above taxpayers represent 10.64% of the School District's 2025-26 Full value of \$607,421,036

As of the date of this Official Statement, the District does not currently have any 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, 2025, 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 \$93,200 or less in 2023 and \$98,700 or less in 2024, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$81,400 for the 2023-24 school year and the first \$84,000 for the 2024-25 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 2022-23 State budget provided \$2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients were eligible for the property tax rebate where the benefit was a percentage of the homeowners’ existing STAR benefit.

## **REAL PROPERTY TAX REBATE**

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 hereafter 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.

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

district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy" and is an exclusion from the tax levy limitation.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department to dismiss the complaint. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

## **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 within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; 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. 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 law, 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 Bonds.

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

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

The 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 30 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.

### **Debt Outstanding End of Fiscal Year**

Fiscal Year Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Serial Bonds	<u>\$ 11,800,250</u>	<u>\$ 10,572,558</u>	<u>\$ 9,065,000</u>	<u>\$ 8,525,725</u>	<u>\$ 7,255,000</u>
Total Debt Outstanding	\$ 11,800,250	\$ 10,572,558	\$ 9,065,000	\$ 8,525,725	\$ 7,255,000

## Status of Outstanding Bond Issues

	2014		2020	
Amount Issued:	\$3,854,000		\$5,970,250	
Purpose/Instrument:	Construction/Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 280,000	\$ 35,550	\$ 360,000	\$ 85,831
2027	290,000	27,150	370,000	78,631
2028	300,000	18,450	375,000	71,231
2029	315,000	9,450	390,000	63,731
2030	-	-	395,000	55,931
2031	-	-	405,000	48,031
2032	-	-	410,000	39,931
2033	-	-	420,000	31,731
2034	-	-	430,000	23,331
2035	-	-	440,000	14,731
2036	-	-	230,000	5,931
2037	-	-	15,000	1,331
2038	-	-	15,000	1,031
2039	-	-	15,000	731
2040	-	-	15,000	431
2041	-	-	<u>5,000</u>	<u>113</u>
Totals:	\$ 1,185,000	\$ 90,600	\$ 4,290,000	\$ 522,678

	2022		2022	
Year of Issue:	2022		2022	
Amount Issued:	\$402,558		\$2,170,000	
Purpose/Instrument:	Buses/Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 105,000	\$ 3,465	\$ 365,000	\$ 58,000
2027	-	-	390,000	39,750
2028	-	-	<u>405,000</u>	<u>20,250</u>
Totals:	\$ 105,000	\$ 3,465	\$ 1,160,000	\$ 118,000

Year of Issue:	2023		2024	
Amount Issued:	\$390,508		\$415,725	
Purpose/Instrument	Buses/Serial Bond		Buses/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 100,000	\$ 7,380	\$ 105,000	\$ 13,650
2027	100,000	3,690	105,000	9,188
2028	<u>-</u>	<u>-</u>	<u>105,000</u>	<u>4,725</u>
Totals:	\$ 200,000	\$ 11,070	\$ 315,000	\$ 27,563

Year of Issue:	2025	
Amount Issued:	\$547,739	
Purpose/Instrument	Buses/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>
2026	\$ 102,739	\$ 16,247
2027	150,000	17,040
2028	150,000	11,790
2029	<u>145,000</u>	<u>6,090</u>
	\$ 547,739	\$ 51,167

### 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>
2026	\$ 1,417,739	\$ 220,123	\$ 1,637,862	18.98%
2027	1,405,000	175,449	1,580,449	37.30%
2028	1,335,000	126,446	1,461,446	54.24%
2029	850,000	79,271	929,271	65.02%
2030	395,000	55,931	450,931	70.24%
2031	405,000	48,031	453,031	75.49%
2032	410,000	39,931	449,931	80.71%
2033	420,000	31,731	451,731	85.94%
2034	430,000	23,331	453,331	91.20%
2035	440,000	14,731	454,731	96.47%
2036	230,000	5,931	235,931	99.20%
2037	15,000	1,331	16,331	99.39%
2038	15,000	1,031	16,031	99.58%
2039	15,000	731	15,731	99.76%
2040	15,000	431	15,431	99.94%
2041	<u>5,000</u>	<u>113</u>	<u>5,113</u>	100.00%
Totals:	\$ 7,802,739	\$ 824,542	\$ 8,627,281	

## Schedule of Principal Payments-Outstanding and Proposed Bonds

Fiscal Year Ending June 30:	<u>Prior Issues</u>	<u>This issue</u>	<u>Total Maturing Principal</u>	<u>Year-End Outstanding Principal</u>
2026	\$ 1,417,739	\$ -	\$ 1,417,739	\$ 14,580,000
2027	1,405,000	355,000	1,760,000	12,820,000
2028	1,335,000	420,000	1,755,000	11,065,000
2029	850,000	395,000	1,245,000	9,820,000
2030	395,000	455,000	850,000	8,970,000
2031	405,000	465,000	870,000	8,100,000
2032	410,000	475,000	885,000	7,215,000
2033	420,000	495,000	915,000	6,300,000
2034	430,000	520,000	950,000	5,350,000
2035	440,000	545,000	985,000	4,365,000
2036	230,000	605,000	835,000	3,530,000
2037	15,000	635,000	650,000	2,880,000
2038	15,000	665,000	680,000	2,200,000
2039	15,000	700,000	715,000	1,485,000
2040	15,000	735,000	750,000	735,000
2041	<u>5,000</u>	<u>730,000</u>	<u>735,000</u>	-
Totals:	\$ 7,802,739	\$ 8,195,000	\$ 15,997,739	

### 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	7/29/2025	6/26/2026	3.50%	\$7,835,000*

\*To be paid with the proceeds of this issue.

### Cash Flow Borrowings

The School District, historically, does not issue Tax Anticipation Notes or Revenue Anticipation Notes.

### Capital Project Plans

District residents approved a \$10,445,000 Capital Project on February 13, 2024. The project consists of certain capital improvements to the School District's existing buildings and facilities. The District plans to provide \$2,250,000 from the existing capital reserve fund and the remaining \$8,195,000 to be raised by the issuance of Bonds and Bond Anticipation Notes for such costs. The District issued a \$7,835,000 Bond Anticipation Note on July 29, 2025. The proceeds of this issue will redeem the outstanding Bond Anticipation Note.

The District does not currently have plans for a future capital project.

## **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 85.0%

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 21, 2026

1

<u>Towns/Cities</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization</u> <u>Rate</u>	<u>Equalized Value</u>
Rome	\$ 13,765,383	45.37%	\$ 30,340,276
Vernon	605,323	47.20%	1,282,464
Westmoreland	203,237,580	38.00%	534,835,737
Whitestown	17,204,275	42.00%	40,962,560
Total:			<u><u>\$ 607,421,036</u></u>
Debt Limit: 10% of Full Valuation			\$ 60,742,104
Inclusions:			
Serial Bonds			\$ 7,802,739
Bond Anticipation Notes			7,835,000
Total Inclusions:			<u><u>\$ 15,637,739</u></u>
Exclusions:			
Building Aid Estimate			\$ -
Total Exclusions:			<u><u>\$ -</u></u>
Total Net Indebtedness Before Giving Effect to This Issue:			\$ 15,637,739
New Monies This Issue:			<u>360,000</u>
Total Net Indebtedness After Giving Effect to This Issue:			<u><u>\$ 15,997,739</u></u>
Net Debt Contracting Margin			\$ 44,744,365
Percentage of Debt-Contracting Power Exhausted			26.34%

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> <sup>1</sup>	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Oneida County	\$ 607,421,036		\$ 475,600,014	N/A	\$ 475,600,014	\$ 17,505,700
City of Rome	\$ 30,340,276	3.68%	\$ 98,180,052	N/A	\$ 98,180,052	\$ 1,603,691
Town of Vernon	\$ 1,282,464	0.18%	\$ -	N/A	\$ -	\$ -
Town of Westmoreland	\$ 534,835,737	91.16%	\$ 785,000	N/A	\$ 785,000	\$ 715,574
Town of Whitestown	\$ 40,962,560	2.79%	\$ 575,000	N/A	\$ 575,000	\$ 16,025
<b>Total</b>						<u>\$ 19,840,989</u>

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2024.

Notes: Bonds and Bond Anticipation notes as of 2024 fiscal year. Not adjusted to include subsequent bond and note sales

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 21, 2026:

	Amount	Per Capita	(a) Percentage of Full Value
Net Indebtedness	\$ 15,997,739	\$ 2,649.07	2.634%
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 35,838,728	\$ 5,934.55	5.900%

(a) The District's estimated population is 6,039. (Source: 2024 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2025-26 \$607,421,036

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

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

**General Municipal Law Contract Creditors' Provision.** Each Bond when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of 37 the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgement or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements out of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization or any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While

this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

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

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

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

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

## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. In addition to the event cited herein, there are other potential risk factor that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

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

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT - State Aid").

## **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.

## **TAX EXEMPTION**

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to Section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) is not a specific preference item for purposes of the federal alternative minimum tax; however interest on the bonds 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 statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate (the “Tax Certificate”) dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the District with the provisions of the Tax Certificate subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

In the opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as described above, Bond Counsel expresses no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain

expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

## **LEGAL MATTERS**

The legality of the authorization and issuance of the Bonds will be covered by the unqualified legal opinions of Timothy R. McGill Esq., Fairport, New York, Bond Counsel, each to the effect that the Bonds as the case may be, are valid and legally binding obligations of the District, that all the taxable real property therein will be subject to the levy of ad valorem taxes to pay the Bonds and the interest thereon without limitations as to rate or amount, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purpose of the federal alternative minimum tax; however, interest on the Bonds 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 and that interest on the Bonds is exempt from personal income taxes imposed by New York State or any political subdivision thereof, including The City of New York. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause interest of the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Such opinion will state that (a) the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity; (b) Bond Counsel expresses no opinion as to the accuracy, adequacy, or completeness of the Official Statement relating to the Bonds; and (c) such opinion is given as of its dated date and that Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstance that may thereafter come to their attention or any changes in law.

The proposed form of such opinion is attached hereto as Appendix C.

## **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.

## **RATINGS**

The District has requested a rating from S&P for the Bonds.

The most recent underlying rating assigned to the School District by S&P Global Ratings, a division of the McGraw-Hill Companies, Inc., is an A+ rating, which was assigned in connection with the issuance by the School District of \$5,970,000 School District (Serial) Bonds dated July 29, 2020.

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.

## **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 Material Event Notices, 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 the Rule 15c2-1.

## **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 Bonds 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 Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

## **MISCELLANEOUS**

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

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

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

Timothy R. McGill, Esq., Fairport, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Bonds, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Bonds by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission. 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 damages caused by viruses in the electronic files on the website.

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at [www.RGTimbsInc.net](http://www.RGTimbsInc.net). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific.

The School District's contact information is as follows: Luke Willson, Business Administrator/Treasurer, phone: (315) 557-2612; email: [jwillson@westmorelandschool.org](mailto:jwillson@westmorelandschool.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 (585) 747-8111 or at [www.RGTimbsInc.net](http://www.RGTimbsInc.net).

**Westmoreland Central School District**

**Dated: May 21, 2026**  
**Westmoreland, New York**

**John Acee**  
President of the Board of Education  
and Chief Fiscal Officer

**APPENDIX A**

**Financial Information**

## General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	Budget <u>2026</u>
Beginning Fund Balance - July 1	\$6,293,440	\$7,097,823	\$7,743,781	\$7,766,196	\$5,642,726	\$5,942,937
<b><u>Revenues:</u></b>						
Real Property Taxes	\$6,681,882	\$6,879,696	\$7,302,705	\$7,682,178	\$8,182,984	\$9,624,063
School Tax Relief Reimbursement	0	0	0	1,243,795	1,137,944	0
Other Tax Items	1,821,429	1,618,417	1,391,781	13,425	14,785	0
Charges for Services	29,323	262,411	332,500	357,825	344,992	420,400
Use of Money & Property	109,520	113,365	78,365	584,371	534,382	240,000
Sale of Property/Comp. for Loss	25,300	14,542	28,607	23,956	3,923	0
Miscellaneous	454,577	709,615	492,278	584,056	1,202,441	540,750
State Aid	11,925,804	12,718,912	13,180,906	12,949,524	13,127,667	14,234,531
Federal Aid	199,642	25,636	42,213	32,248	32,272	0
Interfund Transfer	<u>0</u>	<u>453,694</u>	<u>0</u>	<u>473,209</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	<b>\$21,247,477</b>	<b>\$22,796,288</b>	<b>\$22,849,355</b>	<b>\$23,944,587</b>	<b>\$24,581,390</b>	<b>\$25,059,744</b>
<b><u>Expenditures:</u></b>						
General Support	\$2,577,936	\$2,582,617	\$2,711,491	\$2,783,653	\$2,691,535	\$3,925,953
Instruction	11,209,559	11,295,130	12,209,878	12,698,307	13,446,781	13,249,796
Transportation	779,532	1,445,018	1,154,807	1,657,950	1,288,949	1,385,476
Employee Benefits	4,316,406	4,752,710	4,903,924	4,954,747	5,240,636	6,402,639
Debt Service	1,379,661	1,974,855	1,723,840	1,615,771	1,516,502	1,760,000
Interfund Transfer	<u>180,000</u>	<u>100,000</u>	<u>123,000</u>	<u>2,357,629</u>	<u>96,776</u>	<u>0</u>
<b>Total Expenditures</b>	<b>\$20,443,094</b>	<b>\$22,150,330</b>	<b>\$22,826,940</b>	<b>\$26,068,057</b>	<b>\$24,281,179</b>	<b>\$26,723,864</b>
Adjustments	0	0	0	0	0	0
Year End Fund Balance	\$7,097,823	\$7,743,781	\$7,766,196	\$5,642,726	\$5,942,937	\$4,278,817
Excess (Deficit) Revenues Over Expenditures	\$804,383	\$645,958	\$22,415	(\$2,123,470)	\$300,211	(\$1,664,120)

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

Note: 1. Appropriated Fund Balance is to be used.

E. Estimated.

## General Fund – Budget Summary

2026-27 Proposed Budget

Revenues:

Real Property Taxes & STAR	\$ 10,008,063
Other Tax Items	-
Charges for Services	70,200
Use of Money & Property	220,000
Sale of Property	-
Miscellaneous	600,735
State Aid	15,237,640
Federal Aid	-
Interfund Transfers	-
Reserves	975,000
Appropriated Fund Balance	<u>1,664,121</u>
Total Revenues	\$ 28,775,759

Expenditures:

General Support	\$ 4,230,068
Instruction	13,531,686
Transportation	1,463,449
Community Service	-
Employee Benefits	7,077,757
Debt Service	2,472,799
Interfund Transfers	<u>-</u>
Total Expenditures	\$ 28,775,759

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

## General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Assets:</b>					
Unrestricted Cash	\$564,185	\$1,485,572	\$2,138,273	\$4,135,513	\$1,965,558
Restricted Cash	4,890,138	5,629,559	5,362,171	3,209,435	3,349,635
Other Receivables	102,160	275,637	99,013	363,783	479,890
Due from Other Governments	2,646,863	1,529,464	1,283,640	1,028,888	1,174,339
Prepaid Expense	0	0	0	850	0
Due From Other Funds	385,276	486,939	949,099	526,418	2,511,047
<b>Total Assets</b>	<u><u>\$8,588,622</u></u>	<u><u>\$9,407,171</u></u>	<u><u>\$9,832,196</u></u>	<u><u>\$9,264,887</u></u>	<u><u>\$9,480,469</u></u>
<b>Liabilities:</b>					
Accounts Payable	\$124,966	\$155,637	\$328,586	\$82,848	\$104,044
Accrued Liabilities	325,760	295,330	416,567	211,104	140,704
Due to Other Funds	213,162	304,965	296,668	2,332,976	2,272,253
Due Retirement System	720,405	804,553	918,274	886,328	917,626
Overpayments	106,506	102,905	102,905	108,905	102,905
Unearned Revenue	0	0	3,000	0	0
Deferred Inflow of Resources	0	0	0	0	0
<b>Total Liabilities:</b>	<u><u>\$1,490,799</u></u>	<u><u>\$1,663,390</u></u>	<u><u>\$2,066,000</u></u>	<u><u>\$3,622,161</u></u>	<u><u>\$3,537,532</u></u>
<b>Fund Balances:</b>					
Nonspendable	\$0	\$0	\$0	\$850	\$0
Restricted	4,890,138	5,629,559	5,362,171	3,209,435	3,349,635
Assigned	1,261,961	1,141,266	1,506,023	1,517,163	1,689,382
Unassigned	945,724	972,956	898,002	915,278	903,920
<b>Total Fund Balance</b>	<u><u>\$7,097,823</u></u>	<u><u>\$7,743,781</u></u>	<u><u>\$7,766,196</u></u>	<u><u>\$5,642,726</u></u>	<u><u>\$5,942,937</u></u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$8,588,622</u></u>	<u><u>\$9,407,171</u></u>	<u><u>\$9,832,196</u></u>	<u><u>\$9,264,887</u></u>	<u><u>\$9,480,469</u></u>

Source: Audited Financial Reports. This table is NOT audited.

## **APPENDIX B**

### **Audited Financial Statements For The Fiscal Year Ended June 30, 2025**

*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.*

**WESTMORELAND  
CENTRAL SCHOOL  
DISTRICT**



**MANAGEMENT'S  
DISCUSSION AND  
ANALYSIS**

**AND**

**BASIC FINANCIAL  
STATEMENTS**

**For the Year Ended  
June 30, 2025**

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
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**D'Arcangelo & Co., LLP**  
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950  
315-735-5216 Fax: 315-735-5210

**Independent Auditor's Report**

Board of Education  
Westmoreland Central School District

**Report on the Audit of the Financial Statements**

***Opinions***

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

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

***Basis for Opinions***

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

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the District changed its accounting policies related to the recognition and reporting of compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Westmoreland Central School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Westmoreland Central School District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westmoreland Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements.

The other supplementary 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the Westmoreland Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Westmoreland Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Westmoreland Central School District's internal control over financial reporting and compliance.

*D'Arcangelo + Co., LLP*

December 5, 2025

Utica, New York

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

The Westmoreland Central School District’s discussion and analysis of financial performance provides an overall review of the District’s financial activities for the fiscal years ended June 30, 2025 and 2024. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

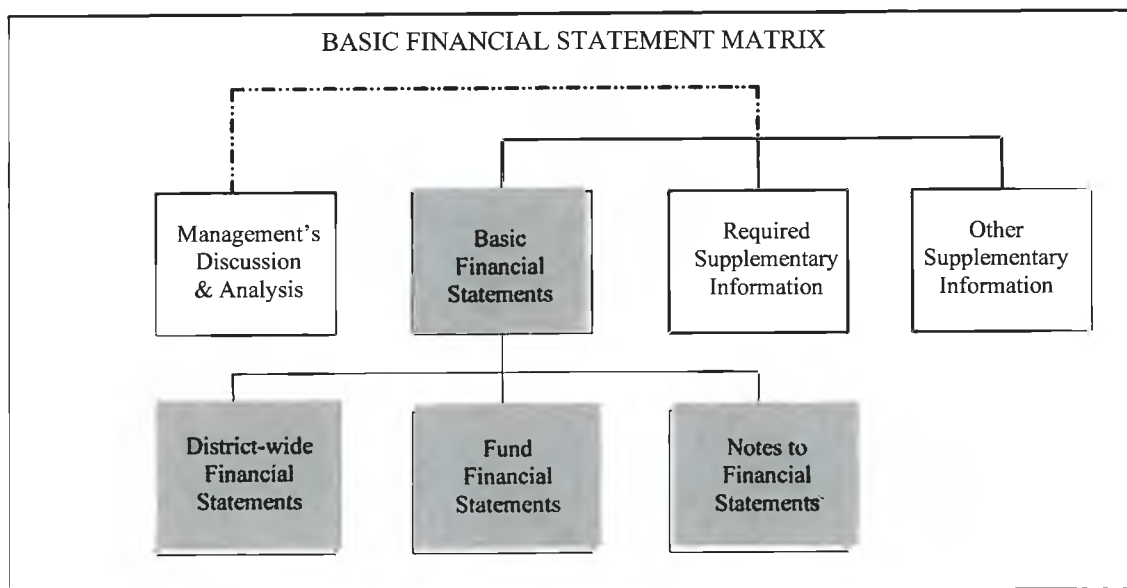
**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2025 are as follows:

- The District’s total net position, as reflected in the District-wide financial statements, increased by \$967,167 to a deficit balance of \$31,788,100. The deficit is mainly due to the non-current liability for postemployments benefits other than pension in the amount of \$34,050,738 at June 30, 2025. Since New York State laws provide no mechanism for funding the liability, subsequent accruals are expected to increase the deficit in future years.
- The District’s expenses for the year, as reflected in the District-wide financial statements, totaled \$24,524,234. Of this amount, \$344,992 and \$724,962, were offset by program charges for services and operating grants, respectively. General revenues of \$24,421,447 amount to 95.8% of total revenues.
- The General Fund’s total fund balance, as reflected in the fund financial statements on pages 14 and 16, increased by \$300,211 to \$5,942,937. This was due to an excess of revenue over expenditures in the current year, based on the modified accrual basis of accounting.
- State and federal revenue increased by \$173,199 to \$13,182,853 in 2025 from \$13,009,654 in 2024. This was mainly attributable to an increase in BOCES Aid in the amount of \$283,957.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – Management’s Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

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**A. District-wide Financial Statements**

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements: The Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

**B. Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. 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 also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds: General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for and report assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The fiduciary activities have been excluded from the District's District -Wide financial statements because the District cannot use these assets to finance its operations.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

**3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**A. Net Position**

The Districts total net position increased \$967,167 between fiscal year 2024 and 2025. A summary of the District's Statement of Net Position for June 30, 2025 and 2024, is as follows:

	2025	(Restated) 2024	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 9,047,770	\$ 9,515,742	\$ (467,972)	(4.9%)
Capital and Leased Assets, Net	<u>21,533,033</u>	<u>19,540,693</u>	<u>1,992,340</u>	10.2%
Total Assets	30,580,803	29,056,435	1,524,368	5.2%
Deferred Outflows of Resources	<u>5,346,058</u>	<u>8,307,540</u>	<u>(2,961,482)</u>	(35.6%)
Total Assets and Deferred Outflows	<u>\$ 35,926,861</u>	<u>\$ 37,363,975</u>	<u>\$ (1,437,114)</u>	(3.8%)
Current and Other Liabilities	\$ 2,815,879	\$ 1,324,845	\$ 1,491,034	112.5%
Non-Current Liabilities	<u>45,671,740</u>	<u>58,645,323</u>	<u>(12,973,583)</u>	(22.1%)
Total Liabilities	48,487,619	59,970,168	(11,482,549)	(19.1%)
Deferred Inflows of Resources	<u>19,227,342</u>	<u>10,149,074</u>	<u>9,078,268</u>	89.4%
Total Liabilities and Deferred Inflows	<u>67,714,961</u>	<u>70,119,242</u>	<u>(2,404,281)</u>	(3.4%)
Net Position				
Net Investment in Capital Assets	12,814,481	12,925,143	(110,662)	(0.9%)
Restricted	3,430,477	3,501,188	(70,711)	(2.0%)
Unrestricted (Deficit)	<u>(48,033,058)</u>	<u>(49,181,598)</u>	<u>1,148,540</u>	2.3%
Total Net Position (Deficit)	<u>(31,788,100)</u>	<u>(32,755,267)</u>	<u>967,167</u>	3.0%
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 35,926,861</u>	<u>\$ 37,363,975</u>	<u>\$ (1,437,114)</u>	(3.8%)

Current and other assets decreased by \$467,972, as compared to the prior year. This was the result of a decrease in cash in the general fund offset by the Districts proportionate share of the TRS pension plan being an asset in the current year in the amount of \$1,139,671.

Capital and leased assets, net of accumulated depreciation and amortization, increased by \$1,992,340, as compared to the prior year. This increase is due to capital and lease expenditures exceeding depreciation and amortization in the current year.

Deferred outflows of resources decreased by \$2,961,482 as compared to the prior year primarily due to amounts provided by the retirement systems and OPEB.

Current liabilities increased by \$1,491,034 primarily due to increases in accounts payable in the Capital Fund.

Non-current liabilities decreased by \$12,973,583, as compared to the prior year. This decrease is primarily the result of a decrease in the OPEB liability in the amount of approximately \$12 million as well as the paydown of outstanding bonds.

Deferred inflows of resources increased by \$9,078,268, as compared to the prior year. These financial statement elements mainly consist of actuarial determined adjustments to the School District's proportionate share of the net pension asset or liability and the OPEB liability for items such as changes in assumptions and differences between actual and projected System investment earnings.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions and leased assets, net of accumulated depreciation and amortization. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase or lease vehicles, equipment and furniture to support District operations.

The restricted portion of net position at June 30, 2025, is \$3,430,477, which represents the amount of the District's restricted reserves in the General Fund and other restricted amounts in the Miscellaneous Special Revenues, Capital Projects and Debt Service Funds.

The unrestricted portion of net position at June 30, 2025, is a deficit of \$48,033,058, which represents the amount by which the District's liabilities and deferred inflows, excluding debt related to capital construction and capital assets and deferred outflows, exceeded the District's assets other than capital and leased assets. This deficit is primarily due to the accrual of other postemployment benefits total liability in the amount of \$34,050,738.

**B. Changes in Net Position**

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements school tax relief (STAR) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2025 and 2024 is as follows.

<b>Revenues</b>	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Program Revenues				
Charges for Services	\$ 344,992	\$ 357,825	\$ (12,833)	(3.6%)
Operating Grants	724,962	1,619,326	(894,364)	(55.2%)
General Revenues				
Property Taxes and STAR	9,335,713	8,939,398	396,315	4.4%
State and Federal Sources	13,182,853	13,009,654	173,199	1.3%
Other	<u>1,902,881</u>	<u>1,360,609</u>	<u>542,272</u>	39.9%
Total Revenues	<u>25,491,401</u>	<u>25,286,812</u>	<u>204,589</u>	0.8%
<b>Expenses</b>				
General Support	3,765,417	4,253,672	(488,255)	(11.5%)
Instruction	18,570,499	20,505,346	(1,934,847)	(9.4%)
Pupil Transportation	1,921,886	2,135,579	(213,693)	(10.0%)
Debt Service-Unallocated Interest	201,722	227,301	(25,579)	(11.3%)
Food Service Program	<u>64,710</u>	<u>39,956</u>	<u>24,754</u>	62.0%
Total Expenses	<u>24,524,234</u>	<u>27,161,854</u>	<u>(2,637,620)</u>	(9.7%)
Total Change in Net Position	<u>\$ 967,167</u>	<u>\$ (1,875,042)</u>	<u>\$ 2,842,209</u>	151.6%

The District's revenues increased by \$204,589 in 2025 or 0.8%. The major factors that contributed to this increase were:

- An increase in property tax and STAR in the amount of \$396,315 during the year.
- A decrease in operating grants of \$894,364 primarily due to the American Rescue Plan grant expiring during the fiscal year.
- An increase in other revenue primarily due to an increase in the BOCES refund in the current year.

The District's expenses for the year decreased by \$2,637,620 or 9.7% in 2024, primarily in the instructional category. The decrease is primarily attributed to:

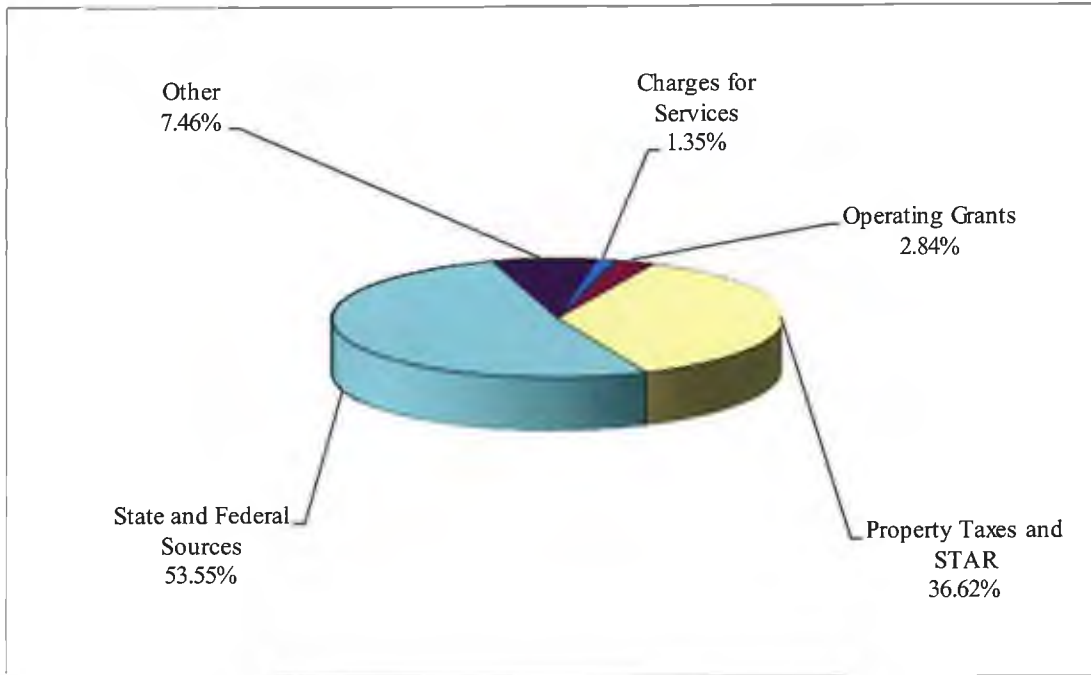
- Decrease in the pension expense of approximately \$1,000,000 and OPEB expenses of approximately \$1,600,000, from the prior year, which are primarily allocated to the instructional category.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

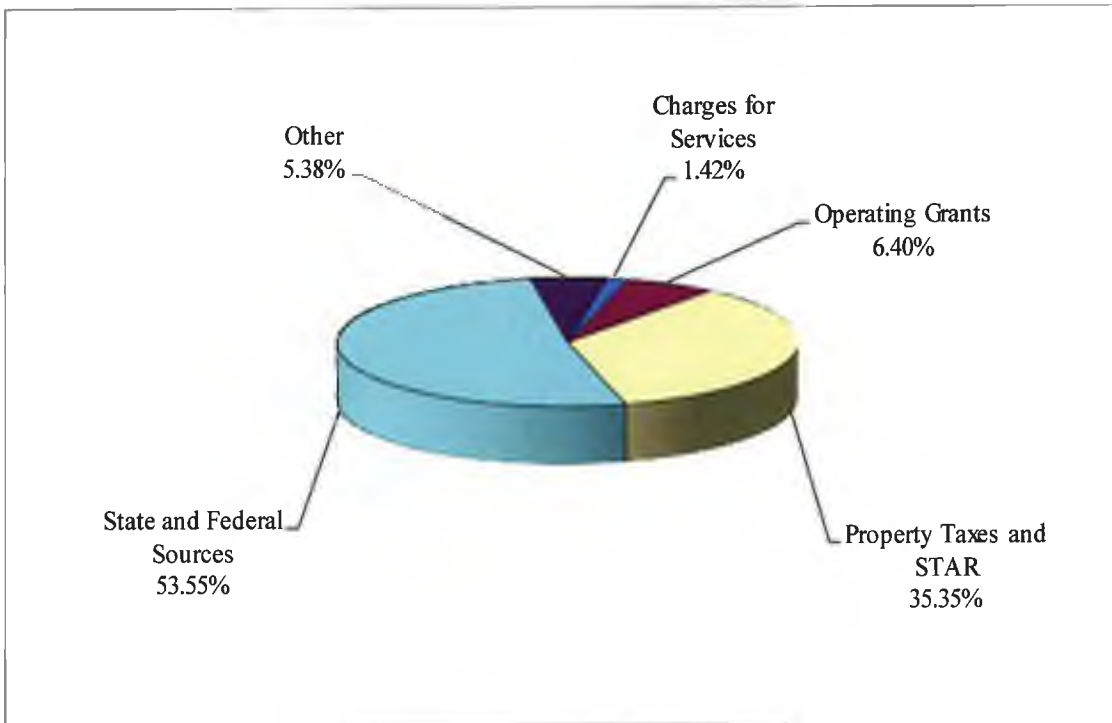
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- A graphic display of the distribution of revenues for the two years follows:

**For the Year Ended June 30, 2025**



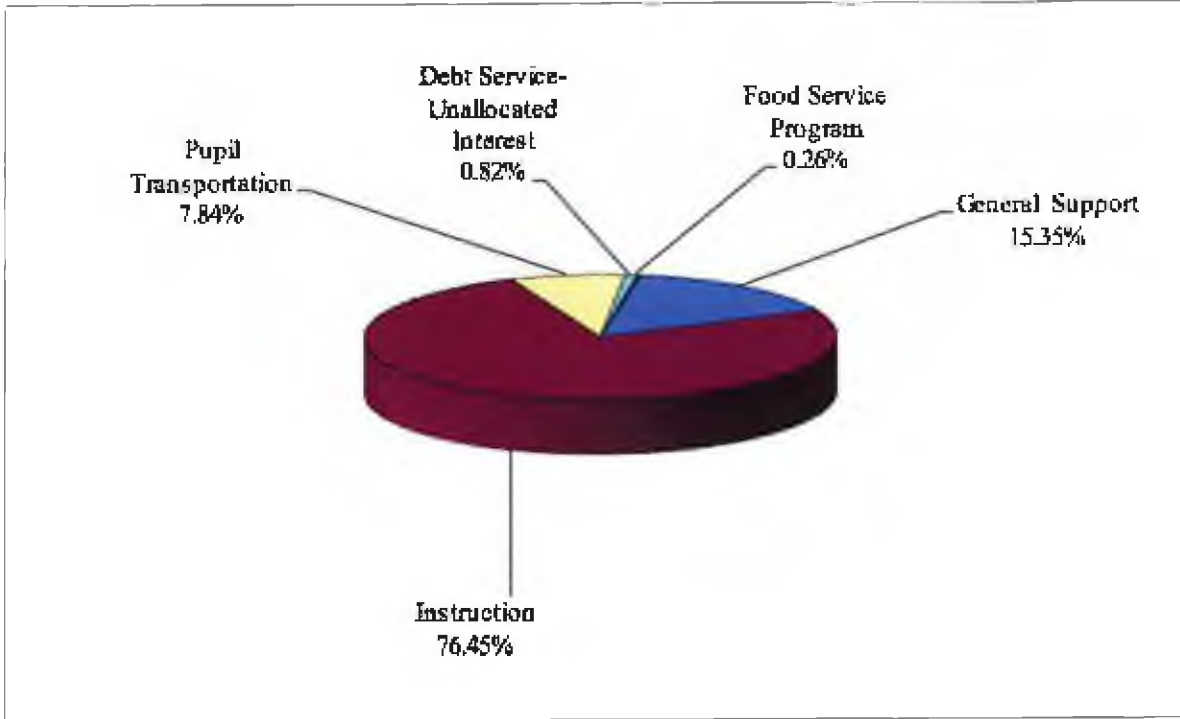
**For the Year Ended June 30, 2024**



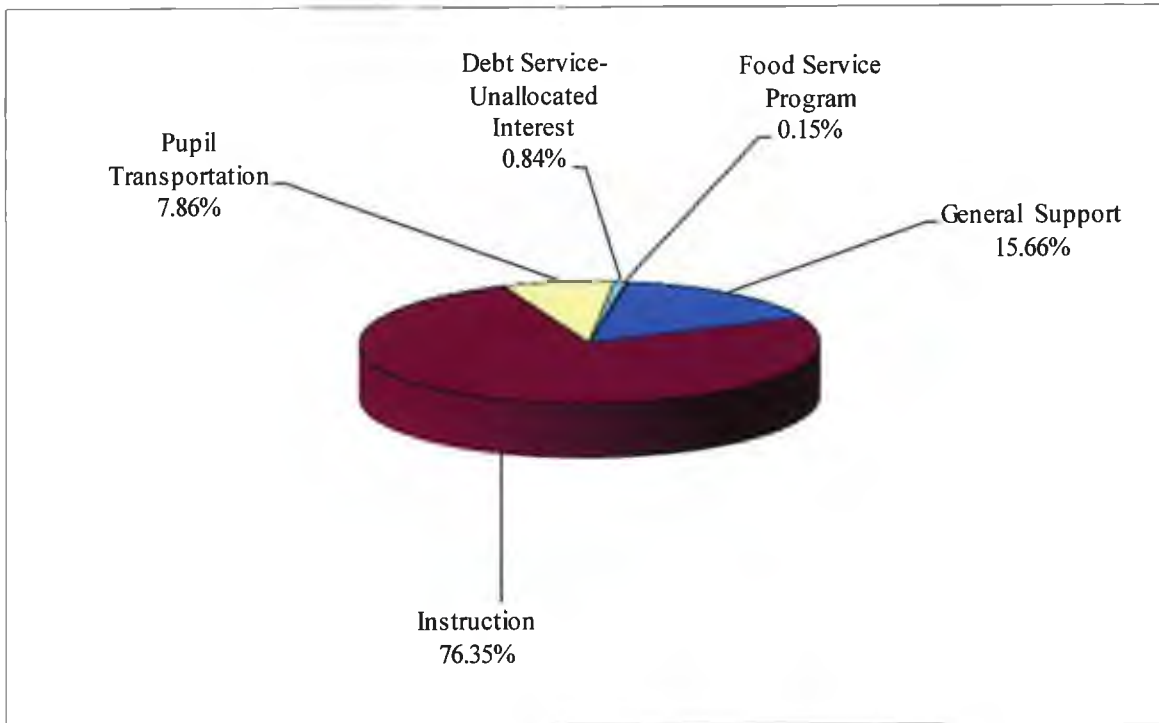
**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

A graphic display of the distribution of expenses for the two years follows:

**For the Year Ended June 30, 2025**



**For the Year Ended June 30, 2024**



See Independent Auditor's Report

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES**

At June 30, 2025, the District's governmental funds reported a combined fund balance of \$5,092,923, which is a decrease of \$2,982,764 from the prior year. This decrease is due to an excess of revenues over expenditures for the year. A summary of the change in fund balance is as follows:

	2025	2024	Increase (Decrease)
<b>General Fund</b>			
<b>Nonspendable</b>	\$	\$ 850	\$ (850)
<b>Restricted for:</b>			
Unemployment Insurance	11,074	10,610	464
Retirement Contribution - ERS	886,757	849,642	37,115
Retirement Contribution - TRS	528,151	506,045	22,106
Employee Benefit Accrued Liability	936,841	897,629	39,212
Capital	165,479	158,553	6,926
Repairs	821,333	786,956	34,377
<b>Total Restricted</b>	3,349,635	3,209,435	140,200
<b>Assigned</b>			
Encumbrances	25,342	55,617	(30,275)
Appropriated For Subsequent Year's Budget	1,664,040	1,461,546	202,494
<b>Total Assigned</b>	1,689,382	1,517,163	172,219
<b>Unassigned</b>	903,920	915,278	(11,358)
<b>Total General Fund</b>	5,942,937	5,642,726	300,211
<b>School Lunch Fund</b>			
Assigned	243,436	184,929	58,507
<b>Misc. Special Revenue Fund</b>			
Restricted	38,772	54,115	(15,343)
Assigned	40,530	41,758	(1,228)
<b>Total Misc. Special Revenue</b>	79,302	95,873	(16,571)
<b>Debt Service Fund</b>			
Restricted	42,070	42,070	
<b>Capital Projects Fund</b>			
Restricted		2,245,537	(2,245,537)
Unassigned (Deficit)	(1,214,822)	(135,448)	(1,079,374)
<b>Total Capital Projects Fund</b>	(1,214,822)	2,110,089	(3,324,911)
<b>Total Fund Balances</b>	\$ 5,092,923	\$ 8,075,687	\$ (2,982,764)

The increase of \$140,200 to the General Fund restricted fund balances during the year ended June 30, 2025, includes interest earned on existing balances.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2024-2025 Budget**

The District's General Fund adopted budget for the year ended June 30, 2025, was \$26,479,437. This is an increase of \$1,271,388 over the prior year's adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$9,561,126 in estimated property taxes and STAR and state aid in the amount of \$14,488,625.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

**B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)**

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior year's excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance is demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget as follows:

Opening, Unassigned Fund Balance	\$ 915,278
Revenues and Other Financing Sources Under Budget	(436,501)
Expenditures, Transfers and Encumbrances Under Budget	2,228,533
Appropriated Fund Balance for the June 30, 2026 Budget	(1,664,040)
Net increase to Restricted and Nonspendable Funds	<u>(139,350)</u>
Closing, Unassigned Fund Balance	<u>\$ 903,920</u>

**Opening, Unassigned Fund Balance**

The \$915,278 shown in the table is the portion of the District's June 30, 2024, fund balance that was retained as unassigned. This was 3.53% of the District's 2024-2025 approved operating budget.

**Revenues and Other Financing Sources Under Budget**

The 2024-2025 budget for revenues was \$25,017,891. The actual revenues received for the year was \$24,581,390. The actual revenues were under the budgeted revenue by \$436,501. This variance contributes directly to the change to the unassigned portion of the General Fund fund balance from June 30, 2024 to June 30, 2025.

**Expenditures and Encumbrances Under Budget**

The 2024-2025 budget for expenditures with carry-over encumbrances was \$26,535,054. The actual expenditures and encumbrances were \$24,306,522. The final budget was under expended by \$2,228,532. This under expenditure contributes to the change to the unassigned portion of the General Fund balance from June 30, 2024 to June 30, 2025.

**Appropriated Fund Balance for the June 30, 2026 Budget**

The District has appropriated \$1,664,040 of its available June 30, 2025 fund balance to partially fund its 2025-2026 approved operating budget. This amount is \$202,494 higher than the amount that was appropriated for the 2024-2025 budget.

**Net Increase to Restricted and Nonspendable Funds**

Combined increases of \$139,350 to the General Fund restricted and nonspendable fund balances during the year ended June 30, 2025 includes interest earned as indicated on page 9.

**Closing, Unassigned Fund Balance**

Based upon the summary changes shown in the above table, the District will begin the 2025-2026 fiscal year with an unassigned fund balance of \$903,920. This is a decrease of \$11,358 from the unassigned balance of the prior year. This is 3.41% of the District's 2025-2026 approved operating budget.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2025**

**5. CAPITAL AND LEASED ASSETS AND DEBT ADMINISTRATION**

**A. Capital and Leased Assets**

At June 30, 2025, the District had invested in a broad range of capital and leased assets, including land, buildings and improvements and leases and equipment. The net increase in capital and leased assets is due to depreciation and amortization exceeding capital and lease additions in the year ended June 30, 2025. A summary of the District's capital and leased assets, net of accumulated depreciation at June 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>	Increase (Decrease)
Land	\$ 186,468	\$ 186,468	\$
Construction in Progress	4,211,706	966,575	3,245,131
Buildings and Improvements	15,073,810	16,029,541	(955,731)
Outside Improvements	454,269	523,346	(69,077)
Leased Equipment	737,514	723,447	14,067
Furniture, Equipment, and Vehicles	869,266	1,111,316	(242,050)
Capital Assets, Net	<u>\$ 21,533,033</u>	<u>\$ 19,540,693</u>	<u>\$ 1,992,340</u>

**B. Debt Administration**

At June 30, 2025, the District had total bonds payable of \$7,255,000. A summary of the outstanding debt at June 30, 2025 and 2024, is as follows:

Issue Date	Interest Rate	<u>2025</u>	<u>2024</u>	Increase (Decrease)
2014	2.00-3.00%	\$ 1,185,000	\$ 1,460,000	\$ (275,000)
2020	2.0-2.25%	4,290,000	4,640,000	(350,000)
2022	1.1-3.3%	105,000	205,000	(100,000)
2022	5.0%	1,160,000	1,510,000	(350,000)
2024	3.7%	200,000	295,000	(95,000)
2024	4.25-4.50%	315,000	415,725	(100,725)
		<u>\$ 7,255,000</u>	<u>\$ 8,525,725</u>	<u>\$ (1,270,725)</u>

**6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Westmoreland School Board and voters approved the 2025-26 budget of \$26,723,864 which was an increase of 3.05% over the year before. Preparation for this budget was again a challenge with a two percent increase in foundation aid, a small percentage increase in the remaining state aid and a small increase in the tax cap calculation. The School Board increased the Appropriated Fund Balance to \$1,664,040 to help keep the tax levy increase as low as possible.

The 2025-26 budget year will also present many challenges, with the uncertainty to state aid predictability. Like in past years, we have been very frugal and have tried to decrease expenditures to minimize any loss in state aid that the District may incur. The School District's goal will again be to provide the best education and opportunities for the students of the Westmoreland Central School District. We will continue to focus on efficiency and financial sustainability in the current and future budgets.

**7. CONTACTING THE DISTRICT**

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at Westmoreland Central School District, 5176 State Route 233, Westmoreland, New York 13490.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

<b>Assets</b>		
Cash and Cash Equivalents	\$	2,113,904
Restricted Cash and Cash Equivalents		3,389,986
Receivables		
Due From Other Governments		1,828,237
Other Receivables		575,972
Net Pension Asset - Proportionate Share		1,139,671
Right to Use Leased Assets, Net of Accumulated Amortization		737,514
Capital Assets, Net of Accumulated Depreciation		<u>20,795,519</u>
Total Assets		<u>30,580,803</u>
<b>Deferred Outflows of Resources</b>		
Pensions		3,403,008
OPEB		<u>1,943,050</u>
Total Deferred Outflows of Resources		<u>5,346,058</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$</b>	<b><u>35,926,861</u></b>
<b>Liabilities</b>		
Accounts Payable	\$	1,512,870
Retainage Payable		119,519
Accrued Liabilities		140,704
Due To		
Other Governments		
Teachers' Retirement System		820,639
Employees' Retirement System		96,987
Fiduciary Fund		284
Accrued Bond Interest		16,632
Unearned Credits		
Overpayments and Collections in Advance		102,905
Unearned Revenue		5,339
Noncurrent Liabilities		
Due Within One Year		
Bonds Payable		1,315,000
Unamortized Premium on Bonds		40,449
Compensated Absences		370,270
Due in More Than One Year		
Bonds Payable		5,940,000
Unamortized Premium on Bonds		208,281
Compensated Absences		2,573,349
Net Pension Liability - Proportionate Share		1,173,653
Other Postemployment Benefits		<u>34,050,738</u>
Total Liabilities		<u>48,487,619</u>
<b>Deferred Inflows of Resources</b>		
Pensions		1,598,069
OPEB		<u>17,629,273</u>
Total Deferred Inflows of Resources		<u>19,227,342</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>		<u>67,714,961</u>
<b>Net Position</b>		
Net Investment in Capital Assets		12,814,481
Restricted		3,430,477
Unrestricted (Deficit)		<u>(48,033,058)</u>
Total Net Position (Deficit)		<u>(31,788,100)</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$</b>	<b><u>35,926,861</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

<b>Functions/Programs</b>	<u>Expenses</u>	Program Revenues		Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
General Support	\$ 3,765,417	\$	\$	\$ (3,765,417)
Instruction	18,570,499	344,992	724,962	(17,500,545)
Pupil Transportation	1,921,886			(1,921,886)
Debt Service - Unallocated Interest	201,722			(201,722)
Food Service	<u>64,710</u>			<u>(64,710)</u>
Total Functions/Programs	<u>\$ 24,524,234</u>	<u>\$ 344,992</u>	<u>\$ 724,962</u>	<u>(23,454,280)</u>
 <b>General Revenues</b>				
Real Property Taxes				8,182,984
STAR and Other Real Property Tax Items				1,152,729
Use of Money and Property				542,631
State and Federal Sources				13,182,853
Miscellaneous				<u>1,360,250</u>
Total General Revenues				<u>24,421,447</u>
 <b>Change in Net Position</b>				<u>967,167</u>
 <b>Net Position (Deficit), Beginning of Year</b>				(31,961,095)
Cumulative Effect of Change in Accounting Principle				<u>(794,172)</u>
<b>Net Position (Deficit), Beginning of Year (Restated)</b>				<u>(32,755,267)</u>
 <b>Net Position (Deficit), End of Year</b>				<u>\$ (31,788,100)</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2025**

	General	School Lunch	Special Aid	Misc. Special Revenue	Debt Service	Capital	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$ 1,965,558	\$ 108,060	\$ 3	\$ 40,283	\$	\$	\$ 2,113,904
Restricted Cash and Cash Equivalents	3,349,635			38,772		1,579	3,389,986
Receivables							
Due From Other Governments	1,174,339	22,914	495,536			135,448	1,828,237
Due from Other Funds	2,511,047	16,380	5,339	530	42,070	2,250,024	4,825,390
Other Receivables	479,890	96,082					575,972
Total Assets	<u>\$ 9,480,469</u>	<u>\$ 243,436</u>	<u>\$ 500,878</u>	<u>\$ 79,585</u>	<u>\$ 42,070</u>	<u>\$ 2,387,051</u>	<u>\$ 12,733,489</u>
<b>Liabilities</b>							
Payables							
Accounts Payable	\$ 104,044					\$ 1,408,826	\$ 1,512,870
Accrued Liabilities	140,704						140,704
Due To							
Other Funds	2,272,253		495,539	283		2,057,599	4,825,674
Teachers' Retirement System	820,639						820,639
Employees' Retirement System	96,987						96,987
Overpayments and Collections in Advance	102,905						102,905
Unearned Revenue			5,339				5,339
Total Liabilities	<u>3,537,532</u>		<u>500,878</u>	<u>283</u>		<u>3,466,425</u>	<u>7,505,118</u>
<b>Deferred Inflow of Resources</b>							
Grants						135,448	135,448
Total Deferred Inflows of Resources						<u>135,448</u>	<u>135,448</u>
<b>Fund Balance</b>							
Restricted	3,349,635			38,772	42,070		3,430,477
Assigned	1,689,382	243,436		40,530			1,973,348
Unassigned (Deficit)	903,920					(1,214,822)	(310,902)
Total Fund Balance (Deficit)	<u>5,942,937</u>	<u>243,436</u>		<u>79,302</u>	<u>42,070</u>	<u>(1,214,822)</u>	<u>5,092,923</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 9,480,469</u>	<u>\$ 243,436</u>	<u>\$ 500,878</u>	<u>\$ 79,585</u>	<u>\$ 42,070</u>	<u>\$ 2,387,051</u>	<u>\$ 12,733,489</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2025**

Total Governmental Fund Balances \$ 5,092,923

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

Revenues that do not provide current financial resources are recognized in the Statement of Net Position but not in the fund financial statements.

Deferred Inflows - Grant Revenue 135,448

The cost of building and acquiring, and leasing capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.

	Right to Use Leased Assets	1,698,152	
	Accumulated Amortization	(960,638)	
	Original Cost of Capital Assets	44,149,613	
	Accumulated Depreciation	<u>(23,354,094)</u>	21,533,033

The proportionate share of long-term asset and liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the funds.

	Net Pension Liability - Proportionate Share	(1,173,653)	
	Net Pension Asset - Proportionate Share	<u>1,139,671</u>	(33,982)

Deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then and, therefore, are not reported in the funds. Deferred outflows of resources at year-end consisted of:

	Deferred Outflows of Resources, Pensions	3,403,008	
	Deferred Outflows of Resources, OPEB	<u>1,943,050</u>	5,346,058

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 then and, therefore, are not reported in the funds. Deferred inflows of resources at year-end consisted of:

	Deferred Inflows of Resources, Pensions	(1,598,069)	
	Deferred Inflows of Resources, OPEB	<u>(17,629,273)</u>	(19,227,342)

Non-current liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Non-current liabilities at year end consist of:

	Bonds Payable	(7,255,000)	
	Unamortized Premium on Bonds	(248,730)	
	Accrued Interest on Bonds Payable	(16,632)	
	Retainage Payable	(119,519)	
	Compensated Absences Payable	(2,943,619)	
	Other Postemployment Benefits	<u>(34,050,738)</u>	(44,634,238)

Total Net Position (Deficit) \$ (31,788,100)

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

	General	School Lunch	Special Aid	Misc. Special Revenue	Debt Service	Capital	Total
<b>Revenues</b>							
Real Property Taxes	\$ 8,182,984						\$ 8,182,984
Other Real Property Tax Items	14,785						14,785
School Tax Relief Reimbursement	1,137,944						1,137,944
Charges for Services	344,992						344,992
Use of Money and Property	534,382	4,221		4,028			542,631
Sale of Property and Compensation for Loss	3,923						3,923
Miscellaneous	1,202,441	96,082		57,804			1,356,327
State Aid	13,127,667	22,914	324,017				13,474,598
Federal Aid	32,272		400,945				433,217
<b>Total Revenues</b>	<u>24,581,390</u>	<u>123,217</u>	<u>724,962</u>	<u>61,832</u>			<u>25,491,401</u>
<b>Expenditures</b>							
General Support	2,691,535					3,218,970	5,910,505
Instruction	13,446,781		656,616	78,403		3,418	14,185,218
Pupil Transportation	1,288,949		68,346			199,299	1,556,594
Food Service Program		64,710					64,710
Employee Benefits	5,240,636						5,240,636
Debt Service - Principal	1,270,725						1,270,725
Debt Service - Interest	245,777						245,777
<b>Total Expenditures</b>	<u>24,184,403</u>	<u>64,710</u>	<u>724,962</u>	<u>78,403</u>		<u>3,421,687</u>	<u>28,474,165</u>
Excess (Deficit) Revenues Over Expenditures	<u>396,987</u>	<u>58,507</u>		<u>(16,571)</u>		<u>(3,421,687)</u>	<u>(2,982,764)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers from Other Funds						96,776	96,776
Transfers to Other Funds	(96,776)						(96,776)
<b>Total Other Financing Sources (Uses)</b>	<u>(96,776)</u>					<u>96,776</u>	
<b>Excess (Deficit) Revenues Over Expenditures and Other Financing Sources</b>	<u>300,211</u>	<u>58,507</u>		<u>(16,571)</u>		<u>(3,324,911)</u>	<u>(2,982,764)</u>
<b>Fund Balance, Beginning of Year</b>	<u>5,642,726</u>	<u>184,929</u>		<u>95,873</u>	<u>42,070</u>	<u>2,110,089</u>	<u>8,075,687</u>
<b>Fund Balance, (Deficit) End of Year</b>	<u>\$ 5,942,937</u>	<u>\$ 243,436</u>	<u>\$</u>	<u>\$ 79,302</u>	<u>\$ 42,070</u>	<u>\$ (1,214,822)</u>	<u>\$ 5,092,923</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES AND  
EXPENDITURES OF THE GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2025**

Net Changes in Fund Balance - Total Governmental Funds \$ (2,982,764)

Capital Outlays to purchase, lease, or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation and amortization expenses in the statement of activities. This is the amount of capital outlays and lease additions and depreciation and amortization in the period.

	Amortization Expense	(424,026)	
	Depreciation Expense	(1,476,657)	
	Capital Outlays	3,454,930	
	Lease Additions	<u>438,093</u>	1,992,340

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of repayment of the bond principal in the current year.

	Repayment of Bond Principal	<u>1,270,725</u>	1,270,725
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Certain expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

	Change In Accrued Interest on Serial Bonds	3,606	
	Amortization of Bond Premium	40,449	
	Change in Retainage Payable	(119,519)	
	Change In Compensated Absences	(293,463)	
	Change In Other Postemployment Benefits	830,399	
	Change in Pension Expense	<u>225,394</u>	<u>686,866</u>

Change in Net Position Governmental Activities \$ 967,167

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2025**

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	Custodial Fund
<b>Assets</b>	
Cash and Cash Equivalents-Restricted	\$ 147,768
Due from Other Funds	<u>792</u>
Total Assets	<u>\$ 148,560</u>
<b>Liabilities</b>	
Due to Other Funds	<u>\$ 555</u>
<b>Net Position</b>	
Restricted for Extraclassroom Activities	<u>148,005</u>
Total Liabilities and Net Position	<u>\$ 148,560</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2025**

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	<u>Custodial Fund</u>
<b>Additions</b>	
Extraclassroom Income	\$ 371,263
<b>Deductions</b>	
Extraclassroom Activities	<u>337,204</u>
<b>Change in Net Position</b>	34,059
<b>Net Position, Beginning of Year</b>	<u>113,946</u>
<b>Net Position, End of Year</b>	<u>\$ 148,005</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***Reporting Entity***

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

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

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

***Extraclassroom Activity Funds***

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The School District accounts for assets held as an agent for various student organizations in a custodial fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds are located at the School District's administrative offices.

***Joint Venture***

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

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

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

During the year, the School District was billed \$5,297,085 for BOCES' administrative and program costs. The School District's share of BOCES aid amounted to \$2,049,944. Financial statements for the BOCES are available from the Oneida-Madison BOCES administrative office.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Basis of Presentation***

**(a) *District-Wide Statements***

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

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

**(b) *Fund Financial Statements***

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

***General Fund:*** This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

***Special Revenue Funds:***

***Special Aid Fund:*** This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

***School Lunch Fund:*** This fund is used to account for and report transactions of the School District's food service operations.

***Miscellaneous Special Revenue Fund:*** This fund is used to account for and report transactions of the School District's programs funded by local grants and donations. The School District has both custody and administrative control over the various programs. This Fund is also used to account for arrangements in which principal and income benefits annual third-party awards and scholarships. Established criteria govern the use of the funds and members of the district or representatives of the donors may serve on committees to determine who benefits.

***Capital Projects Fund:*** This fund is used to account for and report financial resources that are restricted or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

***Debt Service Fund:*** This fund accounts for and reports financial resources that are restricted to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated.

**(c) *Fiduciary Funds***

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

***Custodial Funds:*** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various student groups or extraclassroom activity funds.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Measurement Focus and Basis of Accounting***

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year.

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

***Estimates***

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

***Property Taxes***

Real property taxes are levied annually by the Board of Education and become a lien on September 1. Taxes are collected during the period September 1 to October 31. The County of Oneida subsequently enforces uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

***Restricted Resources***

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

***Interfund Transactions***

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, and interfund transactions activity.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Cash and Cash Equivalents***

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

***Receivables***

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

***Deferred Outflows of Resources***

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

***Capital Assets***

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of \$1,000, (the dollar value above which asset acquisitions are added to the capital asset accounts). The School District uses the straight-line method of depreciation over the following estimated useful lives of capital assets reported in the District-wide statements:

Furniture, Equipment and Vehicles	5-15 Years
Buildings and Improvements	40 Years
Outside Improvements	20 Years

***Right to Use Leased Assets***

The district has recorded right to use lease assets as a result of implementing GASB 87 – *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

***Deferred Inflows of Resources***

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

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Other Benefits***

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

In addition to providing pension benefits, the School District provides postemployment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

***Accrued Liabilities and Long-Term Obligations***

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

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

In the District-wide statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, bond premiums are recognized as other financing sources and bond discounts are recognized as other financing uses.

***Unearned Revenue***

The School District reports unearned revenues when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the School District has legal claim to the resources, the liability is removed and revenues are recorded.

***Equity Classifications***

***(a) District-wide Financial Statements***

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

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

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

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

***(b) Fund Statements***

The following classifications describe the relative strength of the spending constraints:

***Non-spendable***

This category includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School District did not have any non-spendable fund balance at June 30, 2025.

***Restricted***

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the School District's policy is to use restricted resources only when appropriated by the

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***Reserve for Unemployment Insurance***

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

- ***Reserve for Retirement Contribution System***

The Retirement Contribution Reserve Fund (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. A detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

- ***Reserve for Employee Benefit Accrued Liability***

The Employee Benefit Accrued Liability Reserve (GML §6-p) is used to reserve funds for the payment of any accrued employee benefit due an employee upon termination of service. This reserve fund may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

- ***Reserve for Repairs***

The Reserve for Repairs (GML §6-d) is used to accumulate funds through voter approval to finance future costs of major repairs to capital improvements or equipment. Expenditures from this reserve may be made only after a public hearing has been held. In an emergency, expenditures may be made from the reserve fund without a public hearing with approval of two-thirds of the Board of Education. The emergency expenditure must be repaid within the next two succeeding fiscal years. The reserve is accounted for in the General Fund.

- ***Reserve for Capital Projects***

The Capital Reserve (Education law §3651) is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. Total expenditures over the life of each capital reserve may not exceed the voter approved maximum. Funds may be transferred to other reserves only with voter approval. The reserve is accounted for in the General Fund.

- The School District has a \$5,000,000 Capital reserve over 10 years that was approved by voters in 2016. As of June 30, 2025, the District has funded \$3,776,030 towards the reserve, not including interest.

- ***Miscellaneous Special Revenues Fund***

This fund is used to account for and report financial resources that are restricted by donors for the benefit of the School and its students.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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- **Capital Projects Fund**

This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

- **Debt Service Fund**

This fund is used to account for and report the financial resources that are restricted to pay debt service.

- **Custodial Fund**

This fund is used to account for and report financial resources that are restricted to extraclassroom activities.

**Unrestricted**

Unrestricted fund balance includes the following classifications:

- **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2025.
- **Assigned** – Includes amounts that are constrained by the School District’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) a body (budget or finance committee, for example) or designated official, such as the District’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year’s budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- **Unassigned** – Includes all other fund amounts that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

**(d) Order of Use of Fund Balance**

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

**Compensated Absences**

The School District's employees are granted vacation leave in varying amounts, based primarily on length of service and employment classification. Some earned vacation benefits may be forfeited if not used within designated timeframes, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions are governed by negotiated labor agreements and individual employment contracts. Upon retirement, resignation, or death, employees may be eligible to receive payment for unused accumulated sick leave, in accordance with those agreements.

In accordance with GASB Statement No. 101, *Compensated Absences*, a liability is recognized in the district-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee and it is more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end, and includes salary-related payments such as applicable employer payroll taxes.

In the fund financial statements, a liability is reported only for amounts that have matured—typically when payment is due upon resignation, retirement, or other termination—based on expendable and available financial resources.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***New Accounting Standards***

Effective for the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, personal leave, and other paid time off. Under GASB 101, a liability is recognized for compensated absences when earned by employees, provided the leave is attributable to services already rendered and is more likely than not to be used or paid.

Prior to the implementation of GASB 101, the District recognized compensated absences liabilities based primarily on vested amounts or payments due at termination. GASB 101 requires the recognition of these liabilities earlier, based on the accrual of leave and historical usage patterns, resulting in a change in the timing and methodology of liability recognition.

The District applied the provisions of GASB 101 prospectively as of July 1, 2024. As a result of the implementation, compensated absences liabilities were remeasured, and a restatement of beginning net position was made to reflect the cumulative effect of applying the standard. The impact of this restatement is disclosed in Note 15.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. This standard is effective for fiscal years beginning after June 15, 2024.

***Future Changes in Accounting Standards***

- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026.

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

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

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

***Total Fund Balances of Governmental Funds Compared to Net Position of Governmental Activities***

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

***Statement of Revenues, Expenditures, and Changes in Fund Balance Compared to Statement of Activities***

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories:

**(a) *Long-Term Revenue Differences***

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

**(b) *Capital Related Differences***

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

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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**(c) Long-Term Debt Transaction Differences**

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

**(d) Employee Benefit Allocation**

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balance based on the requirements of New York State. These costs have been allocated based on total salary for each function in the Statement of Activities.

**(e) Pension Differences**

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

**(f) OPEB Differences**

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

**3. STEWARDSHIP AND COMPLIANCE**

***Budgetary Procedures and Budgetary Accounting***

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line item level.

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

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

***Encumbrances***

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

***NYS Real Property Tax Cap***

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2024-2025 school year was in compliance with the NYS Tax Cap Limit.

***General Fund – Statutory Unassigned Fund Balance Limit***

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

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

At June 30, 2025, the School District's unassigned fund balance was 3.41% of the 2025-2026 budget.

***Statutory Debt Limit***

At June 30, 2025, the School District was in compliance with the statutory debt limit.

**4. CASH AND CASH EQUIVALENTS**

***Custodial Credit Risk***

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

GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized,
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the School District's name.

As of June 30, 2025, the School District's bank balances totaling \$6,668,290 were collateralized or insured by the Federal Insurance Deposit Corporation (FDIC). Of this amount, \$728,158 of the deposits were covered by the FDIC and \$5,940,132 were collateralized with securities held by an agent of the pledging financial institution in the School District's name.

***Investment and Deposit Policy***

The School District follows an investment policy, the objective of which is to provide the School District with the best rate of return available without exposing the principal to an unreasonable risk of loss. All investments made on behalf of the School District are required to comply with all applicable federal and state laws, including the Education Law, General Municipal Law, and Local Finance Law.

***Restricted Cash***

Restricted cash of \$3,349,635 in the General Fund represents amounts in the following reserves: \$11,074 for Unemployment Insurance, \$886,757 for ERS Retirement Contributions, \$528,151 for TRS Retirement Contributions, \$936,841 for Employee Benefit Accrued Liability, \$165,479 for Capital, and \$821,333 for Repairs.

Restricted cash and cash equivalents of \$38,772 in the Misc. Special Revenue Fund represents funds gifted to the School District restricted for scholarships to students.

Restricted cash of \$147,768 in the Fiduciary Custodial Funds represents funds restricted for the Extraclassroom activities.

**5. CAPITAL AND RIGHT TO USE LEASED ASSETS**

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 186,468	\$	\$	\$ 186,468
Construction in Progress	966,575	3,798,769	792,676	4,211,706
Total	<u>1,153,043</u>	<u>3,798,769</u>	<u>792,676</u>	<u>4,398,174</u>
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	30,505,783			30,505,783
Outside Improvements	1,743,172			1,743,172
Furniture, Equipment and Vehicles	7,292,685	209,799		7,502,484
Total	<u>39,541,640</u>	<u>209,799</u>		<u>39,751,439</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	14,476,242	955,730		15,431,973
Outside Improvements	1,219,826	69,077		1,288,903
Furniture, Equipment and Vehicles	6,181,369	451,850		6,633,218
Total	<u>21,877,437</u>	<u>1,476,657</u>		<u>23,354,094</u>
<b>Net Capital Assets Being Depreciated</b>	<u>17,664,203</u>	<u>(1,266,858)</u>		<u>16,397,345</u>
<b>Net Capital Assets</b>	<u>\$ 18,817,246</u>	<u>\$ 2,531,911</u>	<u>\$ 792,676</u>	<u>\$ 20,795,519</u>

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

Depreciation expense of \$1,476,657 is allocated based on estimated usage by function and is charged as follows:

<u>Function/Program</u>	
General Support	\$ 408,325
Instruction	974,564
Pupil Transportation	<u>93,768</u>
Total Depreciation	<u>\$ 1,476,657</u>

Right to use leased asset activity for the year June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Intangible Leased Assets</b>				
Leased Equipment	\$ 1,823,431	\$ 438,093	\$ 563,372	\$ 1,698,152
<b>Accumulated Amortization</b>				
Leased Equipment	<u>1,099,984</u>	<u>424,026</u>	<u>563,372</u>	<u>960,638</u>
<b>Net Right to Use Leased Assets</b>	<u>\$ 723,447</u>	<u>\$ 14,067</u>	<u>\$</u>	<u>\$ 737,514</u>

**6. NON-CURRENT LIABILITIES**

Non-current liability balances and activity are as follows:

<u>Description</u>	(Restated) Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
<b>Bonds Payable</b>					
Serial Bonds	\$ 8,525,725	\$	\$ 1,270,725	\$ 7,255,000	\$ 1,315,000
Unamortized Premium on Bonds	<u>289,179</u>	<u></u>	<u>40,449</u>	<u>248,730</u>	<u>40,449</u>
Bonds Payable, Net	8,814,904		1,311,174	7,503,730	1,355,449
<b>Other Liabilities</b>					
Compensated Absences	2,650,156	293,463		2,943,619	370,270
Net Pension Liability-Proportionate Share	1,604,414		430,761	1,173,653	
Other Postemployment Benefits	<u>45,575,849</u>	<u>3,232,589</u>	<u>14,757,700</u>	<u>34,050,738</u>	
<b>Total Non-Current Liabilities</b>	<u>\$ 58,645,323</u>	<u>\$ 3,526,052</u>	<u>\$ 16,499,635</u>	<u>\$ 45,671,740</u>	<u>\$ 1,725,719</u>

***Serial Bonds***

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provision to be made in the General Fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. In the event of a default in the payment of the principal and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

The following is a statement of the School District's serial and installment bonds with corresponding maturity schedules:

<u>Payable From Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
General Fund					
Bus Bond	06/14	\$ 3,854,000	06/29	2.0-3.0%	\$ 1,185,000
Serial Bond	07/20	\$ 5,970,250	06/41	2.0-2.25%	4,290,000
Bus Bond	05/22	\$ 402,558	06/26	1.1-3.3%	105,000
Refunding Bond	10/22	\$ 2,170,000	06/28	5.0%	1,160,000
Bus Bond	07/23	\$ 390,508	06/27	3.69%	200,000
Bus Bond	06/24	\$ 415,725	06/28	4.25-4.50%	315,000
Total					<u>\$ 7,255,000</u>

Principal and interest payments due on serial and installment bond debt is as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,315,000	\$ 203,876	\$ 1,518,876
2027	1,255,000	158,408	1,413,408
2028	1,185,000	114,656	1,299,656
2029	705,000	73,181	778,181
2030	395,000	55,931	450,931
2031-2035	2,105,000	157,756	2,262,756
2036-2040	290,000	9,460	299,460
2041	5,000	112	5,112
Total	<u>\$ 7,255,000</u>	<u>\$ 773,380</u>	<u>\$ 8,028,380</u>

Interest expense on the District-wide financial statements is calculated as follows:

Interest Paid	\$ 245,777
Less: Interest Accrued in the Prior Year	(20,238)
Amortization of Premium	(40,449)
Plus: Interest Accrued in the Current Year	16,632
Total Interest Expense	<u>\$ 201,722</u>

***Unamortized Premium***

The original issue premiums on bonds has been deferred and recorded as an addition to non-current liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over 15 to 20 years, the remaining time to maturity of the respective bond issue. The current year amortization is \$40,449 and is included as revenue on the statement of activities. The remaining balance of the unamortized premium is \$248,730.

**7. ADVANCE REFUNDING**

***Advance Refunding – Prior Years***

In prior years, the School District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. As of June 30, 2025, \$1,410,000 of bonds outstanding are considered defeased.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

**8. PENSION PLANS**

**A. New York State and Local Employees' Retirement System (ERS)**

*(a) Plan Description*

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://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.

*(b) Contributions*

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010, but prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3% and 6%) for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2025, were paid.

The required contributions for the current year and two preceding years were:

	<u>Amount</u>
2023	\$ 247,203
2024	\$ 287,985
2025	\$ 348,417

**(c) *Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2025, the School District reported a liability of \$1,173,653 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 and 2024, the School District's proportion was .0068452 percent and .0077513 percent, respectively.

For the year ended June 30, 2025, the School District recognized pension expense of \$274,308. At June 30, 2025, the School District reported deferred outflows and inflows of resources to pensions from the following sources:

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 306,549	\$ 13,741
Change of Assumptions	49,221	
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	92,082	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	101,519	102,638
Contributions Subsequent to the Measurement Date	96,987	
Total	\$ 646,358	\$ 116,379

Amounts reported as deferred outflows related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,			
2026	\$	224,380	
2027	\$	310,344	
2028	\$	(96,299)	
2029	\$	(5,433)	

**(d) Actuarial Assumptions**

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

Significant actuarial assumptions used in the April 1, 2024 valuation were as follows:

Investment Rate of Return (Net of Investment Expense Including Inflation)	5.9%
Cost of Living Adjustments	1.5%
Salary Scale	4.3%
Inflation Rate	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed Income	22%	2.00%
Cash	1%	0.25%
	<u>100%</u>	

\*Real rates of return are net of the long-term inflation assumption of 2.9%.

**(e) Discount Rate**

The discount rate used to calculate the total pension asset/liability was 5.9 percent. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

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

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

	Decrease (4.9%)	Assumption (5.9%)	Increase (6.9%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 3,396,700	\$ 1,173,653	\$ (682,592)

**(g) Pension Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

**(h) Payables to the Pension Plan**

The School District has recorded an amount due to ERS in amount of \$96,987 at June 30, 2025. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2025-2026 billing cycle and has been accrued as an expenditure in the current year.

**B. New York State Teachers' Retirement System (TRS)**

**(a) Plan Description**

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
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The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at [www.nystrs.org](http://www.nystrs.org).

**(b) Contributions**

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	<u>Amount</u>
2023	\$ 774,183
2024	\$ 769,624
2025	\$ 732,030

**(c) Pension Asset, Pension Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2025, the School District reported an asset of \$1,139,671 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2023. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 and 2024, the School District's proportion was .038198 percent and .040496 percent, respectively.

For the year ended June 30, 2025, the School District recognized pension expense of \$626,857. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,227,216	\$
Changes of Assumptions	681,754	114,677
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		1,266,271
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	95,195	100,742
Contributions Subsequent to the Measurement Date	752,485	
Total	\$ 2,756,650	\$ 1,481,690

Amounts reported as deferred outflows/inflows related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	
2026	\$ (596,874)
2027	\$ 1,392,067
2028	\$ (237,729)
2029	\$ (259,609)
2030	\$ 157,400
Thereafter	\$ 67,220

**(d) Actuarial Assumptions**

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

Investment Rate of Return	6.95 % Compounded Annually, Net of Pension Plan Investment Expense, Including Inflation.										
Salary Scale	Rates of Increase Differ Based on Service. They have been calculated based upon recent NYSTRS member experience.										
	<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Service</th> <th style="text-align: left;">Rate</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">5.18%</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">3.64%</td> </tr> <tr> <td style="text-align: center;">25</td> <td style="text-align: center;">2.50%</td> </tr> <tr> <td style="text-align: center;">35</td> <td style="text-align: center;">1.95%</td> </tr> </tbody> </table>	Service	Rate	5	5.18%	15	3.64%	25	2.50%	35	1.95%
Service	Rate										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.3% Compounded Annually.										
Inflation Rate	2.40%										

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

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

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

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	33.0%	6.6%
International Equity	15.0%	7.4%
Global Equity	4.0%	6.9%
Real Estate Equity	11.0%	6.3%
Private Equity	9.0%	10.0%
Domestic Fixed Income	16.0%	2.6%
High Yield Bonds	2.0%	2.5%
Global Bonds	2.0%	5.9%
Real Estate Debt	6.0%	3.9%
Private Debt	1.0%	4.8%
Cash Equivalents	1.0%	0.5%
	<u>100%</u>	

\*Real rates of return are net of the long-term inflation assumption of 2.4% for 2024.

**(e) Discount Rate**

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

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

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

	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Proportionate Share of the Net Pension Liability (Asset)	\$ 5,264,204	\$ (1,139,671)	\$ (6,525,501)

**(g) Pension Plan Fiduciary Net Position**

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

**(h) Payables to the Pension Plan**

The School District has recorded an amount due to TRS in amount of \$752,485, excluding the employees' share, in the General Fund at June 30, 2025. This amount represents the contribution for the 2024-2025 fiscal year that will be made in 2025-2026 and has been accrued as an expenditure in the current year.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

**9. OTHER POSTEMPLOYMENT BENEFITS**

**(a) Plan Descriptions**

The School District provides defined benefit other postemployment benefits for all retired employees and their eligible dependents. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

**(b) Benefits Provided**

The School District provides medical and Medicare Part B benefits to retired employees and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the school district has in place with different classifications of employees. The school district acquires health insurance through a consortium known as the Madison Oneida Herkimer Healthcare Consortium (MOH). Benefits provided by the MOH Health Consortium are administered by BlueCross BlueShield. The MOH health plan covers medical and pharmaceutical costs. Refer to the plan documents for the specifics and limitations of the coverage offered to retirees. Many of the services in the MOH plan require copayments at various levels depending on the nature of the service.

**(c) Employees Covered by Benefit Terms**

	Total
Inactive employees currently receiving benefit payments*	159
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	177
Total	336

\* Inactive employees currently receiving benefit payments includes spouses of retirees and beneficiaries.

**(d) Total OPEB Liability**

The District's total OPEB liability of \$34,050,738 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. The July 1, 2024 total OPEB liability was increased by service cost and interest and decreased by benefit payments and other changes to estimate the total OPEB liability as of the measurement date, June 30, 2025.

**(e) Changes in the Total OPEB Liability**

Changes in the District's total OPEB liability were as follows:

	Total OPEB Liability
Balance at June 30, 2024	\$ 45,575,849
Changes recognized for the year:	
Service cost	1,415,841
Interest on Total OPEB Liability	1,816,748
Effect of Demographic Gains/Losses	(7,002,470)
Changes of Assumptions or Other Inputs	(6,212,328)
Benefit payments	(1,542,902)
Net changes	(11,525,111)
Balance at June 30, 2025	\$ 34,050,738

**(f) Sensitivity of the total OPEB liability to changes in the discount rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current discount rate:

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

	1% Decrease <u>(4.20%)</u>	Current Assumption <u>(5.20%)</u>	1% Increase <u>(6.20%)</u>
Total OPEB liability as of June 30, 2025	\$ 38,948,870	\$ 34,050,738	\$ 30,049,241

**(g) Sensitivity of the total OPEB liability to changes in the discount rate**

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

	1% <u>Decrease</u>	Current <u>Assumption</u>	1% <u>Increase</u>
Total OPEB liability as of June 30, 2025	\$ 29,470,772	\$ 34,050,738	\$ 39,820,211

**(h) OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB**

For the year ended June 30, 2025, the District recognized an OPEB credit of \$830,399. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 726,990	\$ 6,016,207
Changes of assumptions	1,216,060	11,613,066
Total	\$ 1,943,050	\$ 17,629,273

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

Year ended June 30:	<u>Amount</u>
2026	\$ (3,264,073)
2027	\$ (3,649,082)
2028	\$ (2,520,148)
2029	\$ (2,282,489)
2030	\$ (1,923,067)
Thereafter	\$ (2,047,364)

**(i) Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024 rolled forward to June 30, 2025, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Inflation rate	2.4%
Healthcare Cost Trend Rates	6.4% scaling down to 3.7% over 69 years
Salary Changes	2.4%, average, including inflation
Discount Rate	5.20%

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

The School District pays 50-100% of retiree’s health insurance premiums and 15-100% for family coverage.

The selected discount rate of 5.20% is based on the prescribed discount interest rate methodology under GASB 75 based on a yield or index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Mortality Table with generational projection of future improvements per the MP-2021 Ultimate Scale.

The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

**10. RISK MANAGEMENT**

*General Information*

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

*Workers’ Compensation*

For its workers’ compensation, the Westmoreland Central School District is a participant in the Madison-Oneida-Herkimer Consortium Workers’ Compensation Plan, a public entity risk pool operated for the benefit of approximately 28 individual governmental units located within the counties of Madison, Oneida, and Herkimer. This public entity risk pool is created under Article 5 of the Workers’ Compensation Law, to finance liability and risks related to workers’ compensation claims. The School District pays an annual premium to the Plan for this workers’ compensation insurance coverage. The Madison-Oneida-Herkimer Consortium is considered a self-sustaining risk-sharing pool that will provide coverage for its members up to \$600,000 per insured event. Madison-Oneida-Herkimer Consortium obtains independent coverage for insured events in excess of the \$600,000 limit and the Westmoreland Central School District has essentially transferred all related risk to the Consortium.

*Health and Accident Insurance*

The District participates in the Madison-Oneida-Herkimer Consortium Health Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of eighteen individual governmental units located within the counties of Madison, Oneida and Herkimer and is considered a self-sustaining risk pool that will provide coverage for its members up to \$1 million per insured event. The School District pays an annual premium to the Plan for this employee health and accident insurance coverage. The pool obtains independent coverage for insured events in excess of the \$1 million limit and the Westmoreland Central School District has essentially transferred all related risk to the Consortium.

**11. INTERFUND TRANSACTIONS**

The following is a summary of interfund transactions and balances during the year ended June 30, 2025:

<u>Fund</u>	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$ 2,511,067	\$ 2,272,253	\$	\$ 96,776
School Lunch	16,380			
Special Aid	5,869	495,820		
Debt Service	42,070			
Capital Fund	2,250,024	2,057,599	96,776	
Custodial Fund	<u>792</u>	<u>530</u>		
Total	<u>\$ 4,826,202</u>	<u>\$ 4,826,202</u>	<u>\$ 96,776</u>	<u>\$ 96,776</u>

- The interfund receivables and payables will be repaid within the next fiscal year and are for cash flow purposes.
- The District transferred \$96,776 from the General Fund to the Capital Fund for the annual capital outlay project approved by the voters

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

**12. FUND BALANCE**

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
General Fund				
Unemployment Insurance	\$ 10,610	\$ 464	\$	\$ 11,074
Retirement Contribution - ERS	849,642	37,115		886,757
Retirement Contribution - TRS	506,045	22,106		528,151
Employee Benefit Accrued Liability	897,629	39,212		936,841
Capital	158,553	6,926		165,479
Repairs	786,956	34,377		821,333
<b>Total General Fund</b>	<u>\$ 3,209,435</u>	<u>\$ 140,200</u>	<u>\$</u>	<u>\$ 3,349,635</u>

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

	General	School Lunch	Misc. Special Revenue	Debt Service	Capital	Total
<b>Nonspendable</b>	\$	\$	\$	\$	\$	\$
<b>Restricted</b>						
Unemployment Insurance Reserve	11,074					11,074
Retirement Contribution - ERS	886,757					886,757
Retirement Contribution - TRS	528,151					528,151
Employee Benefit Accrued Liability Reserve	936,841					936,841
Capital Reserve	165,479					165,479
Repairs Reserve	821,333					821,333
Scholarships and Donations			38,772			38,772
Debt Service				42,070		42,070
Capital Projects						
<b>Total Restricted</b>	<u>3,349,635</u>		<u>38,772</u>	<u>42,070</u>		<u>3,430,477</u>
<b>Assigned</b>						
Encumbrances	25,342					25,342
Food Service Program		243,436				243,436
Other Misc. Special Revenues			40,530			40,530
Appropriated for Subsequent Year's Budget	1,664,040					1,664,040
<b>Total Assigned</b>	<u>1,689,382</u>	<u>243,436</u>	<u>40,530</u>			<u>1,973,348</u>
<b>Unassigned (Deficit)</b>	<u>903,920</u>				<u>(1,214,822)</u>	<u>(310,902)</u>
<b>Total Fund Balance</b>	<u>\$ 5,942,937</u>	<u>\$ 243,436</u>	<u>\$ 79,302</u>	<u>\$ 42,070</u>	<u>\$ (1,214,822)</u>	<u>\$ 5,092,923</u>

**13. CONTINGENCIES AND COMMITMENTS**

***Potential Grantor Liability***

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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**14. DEFICIT NET POSITION**

The District-wide Net Position had an unrestricted deficit at June 30, 2025 of \$48,033,058 and a total net position deficit of \$31,788,100. The deficit is primarily the result of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which required the recognition of an unfunded liability of \$34,050,738 at June 30, 2025. Since New York State Laws provide no mechanism for funding the liability, subsequent accruals are expected to increase the deficit in future years.

**15. Cumulative Effect of Implementing Change in Accounting Principle**

As the result of implementing GASB Statement No. 101, *Compensated Absences*, the District has restated the beginning net position in the Statement of Net Position for Governmental Activities, effectively decreasing net position as of July 1, 2024 by \$794,172. The decrease results from restating its non-current term liabilities to reflect the additional liability for compensated absences required by this implementation.

**16. Subsequent Events**

On July 16th, 2025, the district issued a \$7,835,000 BAN at an interest rate of 3.50% and matures on June 26th, 2026.

On July 16th, 2025, the district issued a \$547,739.56 Serial Bond with an interest rate of 3.25% - 3.5% and matures on June 15, 2029.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
<b>Revenues</b>					
Local Sources					
Real Property Taxes	\$ 8,183,182	\$ 8,183,182	\$ 8,182,984		\$ (198)
Other Real Property Tax Items	1,377,944	1,377,944	1,152,729		(225,215)
Charges for Services			344,992		344,992
Use of Money and Property	70,200	70,200	534,382		464,182
Sale of Property and Compensation for Loss			3,923		3,923
Miscellaneous	265,000	265,000	1,202,441		937,441
State Aid	14,488,625	14,488,625	13,127,667		(1,360,958)
Federal Aid	<u>85,200</u>	<u>85,200</u>	<u>32,272</u>		<u>(52,928)</u>
Total Revenues	24,470,151	24,470,151	24,581,390		111,239
<b>Other Financing Sources</b>					
Transfers from Other Funds					(547,740)
Proceeds of Debt	547,740	547,740			(547,740)
Appropriated Fund Balance	<u>1,517,163</u>	<u>1,517,163</u>			<u>(1,517,163)</u>
Total Revenues and Other Financing Sources	<u>\$ 26,535,054</u>	<u>\$ 26,535,054</u>	<u>24,581,390</u>		<u>\$ (1,953,664)</u>
<b>Expenditures</b>					
General Support					
Board of Education	\$ 19,658	\$ 28,666	27,275		\$ 1,391
Central Administration	381,951	391,051	368,748		22,303
Finance	526,158	531,858	407,220	100	124,538
Staff	143,138	152,364	142,552		9,812
Central Services	1,718,205	1,674,737	1,416,914	23,284	234,539
Special Items	<u>318,915</u>	<u>359,515</u>	<u>328,826</u>		<u>30,689</u>
Total General Support	<u>3,108,025</u>	<u>3,138,191</u>	<u>2,691,535</u>	<u>23,384</u>	<u>423,272</u>
Instruction					
Instruction, Administration, and Improvement	840,532	743,617	719,875	360	23,382
Teaching - Regular School	8,030,555	8,139,205	7,776,301	820	362,084
Programs for Children With Special Needs	2,341,995	2,640,818	2,593,842		46,976
Occupational Education	565,386	718,886	714,017		4,869
Instructional Media	610,810	653,310	597,675		55,635
Pupil Services	<u>1,158,491</u>	<u>1,148,006</u>	<u>1,045,071</u>	778	<u>102,157</u>
Total Instruction	<u>13,547,769</u>	<u>14,043,842</u>	<u>13,446,781</u>	<u>1,958</u>	<u>595,103</u>
Pupil Transportation	1,927,767	1,906,005	1,288,949		617,056
Employee Benefits	6,203,049	5,649,572	5,240,636		408,936
Debt Service - Principal	1,386,444	1,426,444	1,270,725		155,719
Debt Service - Interest	<u>262,000</u>	<u>271,000</u>	<u>245,777</u>		<u>25,223</u>
Total Expenditures	26,435,054	26,435,054	24,184,403	25,342	2,225,309
<b>Other Financing Uses</b>					
Transfers to Other Funds	<u>100,000</u>	<u>100,000</u>	<u>96,776</u>		<u>3,224</u>
Total Expenditures	<u>\$ 26,535,054</u>	<u>\$ 26,535,054</u>	<u>24,281,179</u>	<u>25,342</u>	<u>\$ 2,228,533</u>
<b>Net Change in Fund Balance</b>			300,211		
<b>Fund Balance - Beginning of Year</b>			<u>5,642,726</u>		
<b>Fund Balance - End of Year</b>			<u>\$ 5,942,937</u>		

Notes to Required Supplementary Information:

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

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

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**For the Year Ended June 30, 2025**

	2025*	2024*	2023*	2022*	2021*	2020*
Measurement Date:	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
<b>Total OPEB Liability</b>						
Service cost	\$ 1,415,841	\$ 1,567,983	\$ 1,606,323	\$ 2,149,173	\$ 1,903,918	\$ 1,266,611
Interest	1,816,748	1,699,573	1,625,393	1,210,042	1,055,531	1,332,251
Changes of benefit terms						
Differences between expected and actual experience	(7,002,470)	729,744			1,336,482	
Changes in assumptions or other inputs	(6,212,328)	(1,916,596)	(1,802,928)	(11,565,976)	5,016,240	7,675,441
Expected benefit payments	<u>(1,542,902)</u>	<u>(1,527,843)</u>	<u>(1,416,725)</u>	<u>(1,300,204)</u>	<u>(1,296,832)</u>	<u>(1,129,214)</u>
Net change in total OPEB liability	(11,525,111)	(176,883)	741,807	(9,506,965)	8,015,339	9,145,089
Total OPEB liability - beginning of year	<u>45,575,849</u>	<u>45,752,732</u>	<u>45,010,925</u>	<u>54,517,890</u>	<u>46,502,551</u>	<u>37,357,462</u>
Total OPEB liability - ending of year	\$ <u>34,050,738</u>	\$ <u>45,575,849</u>	\$ <u>45,752,732</u>	\$ <u>45,010,925</u>	\$ <u>54,517,890</u>	\$ <u>46,502,551</u>
Covered employee payroll	\$ 9,619,861	\$ 9,234,969	\$ 9,234,970	\$ 7,564,027	\$ 7,564,027	\$ 8,013,842
Total OPEB liability as a percentage of covered payroll	353.96%	493.51%	495.43%	595.07%	720.75%	580.28%

\* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Schedule:

Changes in benefit terms:  
None.

Changes in Assumptions:  
The discount rate was increased to 5.20% in 2025 from 3.93% in 2024.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**SCHEDULES OF DISTRICT PENSION CONTRIBUTIONS**  
For the Year Ended June 30, 2025

	ERS Pension Plan Last 10 Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 348,417	\$ 287,985	\$ 247,203	\$ 315,592	\$ 291,189	\$ 279,665	\$ 276,986	\$ 287,719	\$ 273,178	\$ 358,935
Contributions in Relation to the Contractually Required Contribution	\$ 348,417	\$ 287,985	\$ 247,203	\$ 315,592	\$ 291,189	\$ 279,665	\$ 276,986	\$ 287,719	\$ 273,178	\$ 358,935
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
School District's Covered-ERS Employee Payroll	\$ 2,353,379	\$ 2,357,205	\$ 2,205,718	\$ 2,058,103	\$ 2,115,041	\$ 2,020,997	\$ 1,942,701	\$ 1,965,556	\$ 1,929,953	\$ 1,859,712
Contributions as a Percentage of Covered-Employee Payroll	14.80%	12.22%	11.21%	15.33%	13.77%	13.84%	14.26%	14.64%	14.15%	19.30%

	TRS Pension Plan Last 10 Fiscal Years									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 732,030	\$ 769,624	\$ 774,183	\$ 691,271	\$ 613,068	\$ 568,964	\$ 684,474	\$ 603,532	\$ 721,764	\$ 823,859
Contributions in Relation to the Contractually Required Contribution	\$ 732,030	\$ 769,624	\$ 774,183	\$ 691,271	\$ 613,068	\$ 568,964	\$ 684,474	\$ 603,532	\$ 721,764	\$ 823,859
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
School District's Covered - TRS Employee Payroll	\$ 7,240,653	\$ 7,885,492	\$ 7,523,644	\$ 7,053,786	\$ 6,433,033	\$ 6,421,716	\$ 6,445,141	\$ 6,158,490	\$ 6,158,396	\$ 6,213,190
Contributions as a Percentage of Covered-Employee Payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET OR LIABILITY**  
For the Year Ended June 30, 2025

**ERS Pension Plan**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's Proportion of the Net Pension Asset/Liability	0.6845200%	0.0077513%	0.0066629%	0.0064920%	0.0067980%	0.0064610%	0.0058111%	0.0062688%	0.0062865%	0.0061894%
District's Proportionate Share of the Net Pension Asset/(Liability)	\$ (1,173,653)	\$ (1,141,303)	\$ (1,428,786)	\$ 530,690	\$ (6,769)	\$ (1,710,903)	\$ (411,733)	\$ (202,322)	\$ (590,689)	\$ (993,418)
District's Covered-Employee Payroll	\$ 2,353,379	\$ 2,357,205	\$ 2,205,718	\$ 2,058,103	\$ 2,115,041	\$ 2,020,997	\$ 1,942,701	\$ 1,965,556	\$ 1,929,953	\$ 1,859,712
District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered-Employee Payroll	49.87%	48.42%	64.78%	25.79%	0.32%	84.66%	21.19%	10.29%	30.61%	53.42%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

**TRS Pension Plan**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Asset/Liability	0.038198%	0.040496%	0.039813%	0.037901%	0.037835%	0.038613%	0.037808%	0.038857%	0.040264%	0.038191%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ 1,139,671	\$ (463,111)	\$ (763,968)	\$ 6,567,899	\$ (1,045,469)	\$ 1,003,169	\$ 683,668	\$ 295,351	\$ (431,248)	\$ 4,042,491
District's Covered-Employee Payroll	\$ 7,885,492	\$ 7,523,644	\$ 7,053,786	\$ 6,433,033	\$ 6,421,716	\$ 6,445,141	\$ 6,158,490	\$ 6,158,396	\$ 6,213,190	\$ 5,486,179
District's Proportionate Share of the Net Pension Asset/Liability as a Percentage of its Covered-Employee Payroll	14.45%	6.16%	10.83%	102.10%	16.28%	15.56%	11.10%	4.80%	6.94%	73.69%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO FINAL BUDGET**  
**AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**  
**For the Year Ended June 30, 2025**

**Change from Adopted Budget to Revised Budget**

Adopted Budget		\$ 26,479,437
Add: Prior Year's Encumbrances		55,617
Original Budget		26,535,054
Final Budget		\$ 26,535,054

**Section 1318 of Real Property Tax Law Limit Calculation**

2025-26 voter-approved expenditure budget		\$ <u>26,479,437</u>
Maximum allowed (4% of 2025-26 budget)		\$ <u>1,059,177</u>

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

Unrestricted fund balance:		
Assigned fund balance	1,689,382	
Unassigned fund balance	903,920	
Total unrestricted fund balance		\$ 2,593,302
Less:		
Appropriated fund balance	1,664,040	
Encumbrances included in assigned fund balance	25,342	
Total adjustments		1,689,382
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		\$ 903,920
Actual percentage		3.41%

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2025**

PROJECT TITLE	Original Authorization	Revised Authorization	Prior Years	Expenditures		Unexpended Balance	Proceeds of Obligations	Methods of Financing		Fund Balance (Deficit) June 30, 2025
				Current Year	Total			Federal and State Aid	Local Sources	
Smart School Bond Act	\$ 105,994	\$ 972,143	\$ 962,112	\$ 962,112	\$ 10,031	\$ 826,664	\$ 826,664	\$ 826,664	\$ (135,448)	
2024 Capital Project	10,445,000	10,445,000	4,463	3,125,612	7,314,925		2,250,000	2,250,000	(880,075)	
2024-25 Capital Outlay Project	100,000	100,000	96,776	96,776	3,224		96,776	96,776		
2025 Bus Purchases	547,739	547,739	199,299	199,299	348,440				(199,299)	
	<u>\$ 11,198,733</u>	<u>\$ 12,064,882</u>	<u>\$ 966,575</u>	<u>\$ 3,421,687</u>	<u>\$ 4,388,262</u>	<u>\$ 7,676,620</u>	<u>\$ 3,173,440</u>	<u>\$ 2,346,776</u>	<u>\$ (1,214,822)</u>	

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**NET INVESTMENT IN CAPITAL ASSETS**  
**June 30, 2025**

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Capital Assets, Net	\$ 20,795,519
Right to Use Leased Assets	<u>737,514</u>
	<u>21,533,033</u>
Add:	
Capital Fund Fund Balance (Deficit)	<u>(1,214,822)</u>
Deduct:	
Premium on Bonds Payable	248,730
Serial and Installment Bonds Payable, Net	<u>7,255,000</u>
	<u>7,503,730</u>
Net Investment in Capital Assets	<u>\$ 12,814,481</u>

See Independent Auditor's Report

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950  
315-735-5216 Fax: 315-735-5210

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education  
Westmoreland Central School District

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 Westmoreland Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Westmoreland Central School District's basic financial statements, and have issued our report thereon dated December 5, 2025.

### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the school 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 school district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

December 5, 2025

Utica, New York

WESTMORELAND  
CENTRAL SCHOOL  
DISTRICT



EXTRACLASROOM  
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended  
June 30, 2025

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
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# **D'Arcangelo & Co., LLP**

**Certified Public Accountants & Consultants**

120 Lomond Court, Utica, N.Y. 13502-5950  
315-735-5216 Fax: 315-735-5210

## **Independent Auditor's Report**

Board of Education  
Westmoreland Central School District

### **Qualified Opinion**

We have audited the accompanying financial statements of the Extraclassroom Activity Fund of Westmoreland Central School District, which comprise the statement of assets, liabilities, and fund equity - cash basis as of June 30, 2025, and the related statement of revenues, expenditures, and changes in fund equity - cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund equity of the Extraclassroom Activity Fund of Westmoreland Central School District as of June 30, 2025, and its revenues, expenditures, and changes in fund equity for the year then ended in accordance with the cash basis of accounting as described in Note 1.

### **Basis for Qualified Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Extraclassroom Activity Fund of Westmoreland Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion. Insufficient accounting controls are exercised over cash receipts at the point of collection to the time of submission to the central treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

### **Emphasis of Matter – Basis of Accounting**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 6 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the opinion paragraphs, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*D'Arcangelo + Co., LLP*

December 5, 2025

Utica, New York

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND  
STATEMENT OF ASSETS AND FUND EQUITY - CASH BASIS  
June 30, 2025**

---

Assets

Cash \$ 148,005

Total Assets \$ 148,005

Fund Equity

Assigned \$ 148,005

Total Fund Equity \$ 148,005

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - CASH BASIS**  
**For the Year Ended June 30, 2025**

---

Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ 371,263
Expenditures	
Instruction - Club Activities	<u>337,204</u>
Excess Revenues Over Expenditures	34,059
<u>Fund Equity, Beginning of Year</u>	<u>113,946</u>
<u>Fund Equity, End of Year</u>	<u>\$ 148,005</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTMORELAND CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Operations*

The transactions of the Extraclassroom Activity Fund are not considered part of the reporting entity of Westmoreland Central School District. The related year-end cash balances are shown as part of the Custodial Fund with the respective offset being shown as net position restricted for extraclassroom activities.

The Board of Education makes rules and regulations for the conduct, operation, and maintenance of the Extraclassroom Activity Fund and for the safeguarding, accounting, and auditing of all monies received and derived therefrom.

*Basis of Accounting*

The books and records of the School District's Extraclassroom Activity Fund are maintained on the cash basis of accounting. The cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed.

*Fund Equity Assigned*

Fund equity includes amounts that are constrained by the Extraclassroom Activity Funds of Westmoreland Central School District's intent to be used for specific purposes of the respective activity, but neither restricted nor committed.

*Cash and Cash Equivalents*

The Fund's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

**2. CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. As of June 30, 2025, the School District's Extraclassroom bank balances of \$149,104 were covered by FDIC.

**WESTMORELAND CENTRAL SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUND**  
**SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS**  
**For the Year Ended June 30, 2025**

Activities	Cash and Fund Equity 7/1/2024	Cash Receipts	Cash Disbursements	Cash and Fund Equity 6/30/2025
Bookstore	\$ 321	\$ 20,763	\$ 19,986	\$ 1,098
Choir	2,439	229,762	229,170	3,031
Class of 2023	11			11
Class of 2024	711	1,555	1,500	766
Class of 2025	4,594	31,995	31,260	5,329
Class of 2026	10,118	13,465	11,615	11,968
Class of 2027	5,856	5,484	500	10,840
Class of 2028	4,345	1,794		6,139
Class of 2029	2,578	3,564	1,999	4,143
Class of 2030	748	11,331	8,177	3,902
Class of 2031	1,242	56		1,298
Class of 2032		1,780		1,780
Drama	22,407	25,930	15,752	32,585
Esports	298	13		311
Game Club	409	18		427
High School Student Council	23,492	9,793	7,169	26,116
High School Yearbook	1,308	2,222		3,530
Key Club	1,868	966	2,252	582
JR National Honor Society	2,769	144	385	2,528
LGBTQ Club/GSA		55		55
Upper Elementary School Newspaper	106	5		111
Upper Elementary School Recreation	572	26		598
Upper Elementary School Store	2,482	536	129	2,889
Upper Elementary School Student Council	3,033	1,905	2,359	2,579
Upper Elementary School Yearbook	9,788	439		10,227
National Honor Society	2,203	3,808	2,450	3,561
Positive Results	3,058	137		3,195
Podcast Club	287	13		300
SADD	608	24	66	566
Scholastic LEAD	384	17		401
Science Club	335	15		350
Ski/Snowboarding Club	2,728	1,884	1,723	2,889
Spanish Club	1,470	66		1,536
Tri-M	1,378	1,698	712	2,364
<b>Total</b>	<b>\$ 113,946</b>	<b>\$ 371,263</b>	<b>\$ 337,204</b>	<b>\$ 148,005</b>

See Independent Auditor's Report.

**APPENDIX C**

**Form of Legal Opinions**

LAW OFFICES

OF

*Timothy R. McGill*

248 WILLOWBROOK OFFICE PARK  
FAIRPORT, NEW YORK 14450

Kristine M. Bryant  
Paralegal

Tel: (585) 381-7470  
Fax: (585) 381-7498

June 17, 2026

Board of Education of the  
Westmoreland Central School District  
Oneida County, New York

Re: ***Westmoreland Central School District  
\$8,195,000 School District (Serial) Bonds, 2026***

Dear Board Members:

I have examined a record of proceedings relating to the issuance of \$8,195,000 aggregate principal amount of School District (Serial) Bonds, 2026 of the Westmoreland Central School District, a school district of the State of New York. The Bonds are issued as serial bonds maturing on June 15 in the following years and in the following principal amounts:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2027	\$355,000	2032	\$475,000	2037	\$635,000
2028	\$420,000	2033	\$495,000	2038	\$665,000
2029	\$395,000	2034	\$520,000	2039	\$700,000
2030	\$455,000	2035	\$545,000	2040	\$735,000
2031	\$465,000	2036	\$605,000	2041	\$730,000

The Bonds are dated June 17, 2026, bear interest at the rate or rates per annum as set forth therein, payable December 15, 2026 and semi-annually thereafter on June 15 and December 15 in each year until maturity, are subject to optional redemption as provided therein, and are issued pursuant to the Local Finance Law of the State of New York and a bond resolution adopted March 12, 2024. The proposition approving the matters set forth in the bond resolution was approved by the voters of the School District on February 13, 2024.

Board of Education of the  
Westmoreland Central School District  
June 17, 2026

The Bonds are issued only in fully registered form, in the name of “Cede & Co.,” as nominee for The Depository Trust Company, an automated depository for securities and clearinghouse for securities transactions which will maintain a book-entry system for recording the ownership interests in the Bonds. Only one Bond will be initially issued for each maturity in the aggregate principal amount of such maturity. Purchases of ownership interests in the Bonds will be made in book-entry form in denominations of \$5,000 or any integral multiple thereof, not exceeding the aggregate principal amount of Bonds maturing in any year.

In my opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors’ rights, the Bonds are valid and legally binding obligations of the Westmoreland Central School District and, unless paid from other sources, are payable from ad valorem taxes levied upon all the taxable real property within the School District without limitation as to rate or amount.

The School District has covenanted to comply with any requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excludable from gross income under the Code. In my opinion, under the existing statute, regulations and court decisions, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and will continue to be so excluded if the School District continuously complies with such covenant; and under the Code, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, interest on the Bonds 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. I express no opinion regarding other Federal income tax consequences caused by the receipt or accrual of interest on the Bonds. Further, in my opinion, interest on the Bonds is exempt from New York State and New York City personal income taxes under existing statutes.

In rendering the opinions expressed herein, I have assumed the accuracy and truthfulness of all public records, documents and proceedings examined by me which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and I also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings, and such certifications. The scope of my engagement in relation to the issuance of the Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together

*Timothy R. McGill*

Board of Education of the  
Westmoreland Central School District  
June 17, 2026

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with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of and interest on the Bonds as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the School District in relation to the Bonds for factual information which, in the judgment of the School District, could materially affect the ability of the School District to pay such principal and interest. While I have participated in the preparation of such Official Statement, I have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, I express no opinion as to whether the School District, in connection with the sale of the Bonds, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

I have examined the first executed Bond of the first year of maturity from the issue of Bonds and, in my opinion, its form and execution are regular and proper.

Very truly yours,

Timothy R. McGill, Esq.

TRM:

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

## FORM OF CONTINUING DISCLOSURE UNDERTAKING

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

- (i) to the Electronic Municipal Market Access ("EMMA") systems of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross referenced in the final Official Statement dated May 15, 2025 of the School District relating to the Bonds by December 31 following the end of each succeeding fiscal year, commencing with the fiscal year ending June 30, 2024, and (ii) a copy of the audited financial statements if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending June 30, 2024; such audit, if any, will be so provided on or prior to the later of either December 31 of each such succeeding fiscal year or, if an audited financial statement at that time, within sixty days following receipt by the School District of its audited financial statement for the proceeding fiscal year, but in any event not later than June 30 of each succeeding fiscal year; and provided further in the event that the audited financial statement for any fiscal year is not available by December 31 following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon the determination by the School District of whether such provision is compliant with the requires of federal Securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a) (2) of Securities Act of 1933
- (ii) in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds, to EMMA or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule:
  - (a) principal and interest payment delinquencies
  - (b) non-payment related defaults, if material
  - (c) unscheduled draws on debt service reserves reflecting financial difficulties
  - (d) unscheduled draws on credit enhancements reflecting financial difficulties
  - (e) substitution of credit or liquidity providers, or their failure to perform
  - (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bond, or other material events affecting the tax status of the Bond
  - (g) modifications to rights of Bondholders, if material
  - (h) Bond calls, if material and tender offers
  - (i) defeasances
  - (j) release, substitution, or sale of property securing repayment of the bond

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the School District

(m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material: and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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