

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 10, 2026

NEW ISSUE

BOND ANTICIPATION NOTES

In the opinion of Hodgson Russ LLP of Buffalo, New York, Bond Counsel, under the existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain tax certification described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), as amended. Bond Counsel is also of the opinion that the interest on the Notes is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We observe that interest on the Note will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Notes is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See "TAX EXEMPTION" herein.

The Notes WILL be designated by the District as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

**EDEN CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK
(the "District" or the "School District")**

**\$3,531,000
BOND ANTICIPATION NOTES, 2026A
(the "Notes")**

Dated: June 30, 2026

Due: June 30, 2027

Security and Source of Payment: The Notes are general obligations of the District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. Unless paid from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York). See "TAX LEVY LIMITATION LAW" herein.

Prior Redemption: The Notes will not be subject to redemption prior to maturity.

Form and Denomination: The Notes will be issued as registered notes and, at the option of the initial purchaser(s), may be registered to the Depository Trust Company ("DTC" or the "securities depository"), or may be registered in the name of the initial purchaser(s).

To the extent that the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as securities depository for the Notes. In such event, individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, except for one Note of a necessary odd denomination, as may be determined by the successful bidder(s). Initial purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payment of the principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes. See "DESCRIPTION OF THE NOTES - Book-Entry-Only System" herein.

To the extent that the Notes are registered in the name of the initial purchaser (s), principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of \$5,000, or integral multiples thereof, except for one Note of a necessary odd denomination, as may be determined by the successful bidder(s).

Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes 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 Notes of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, and certain other conditions. It is anticipated that the Notes will be available for delivery in New York, New York (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about June 30, 2026.

Facsimile or telephone bids will be received TUESDAY, June 16, 2026 until 10:30 a.m. Prevailing Time, pursuant to the terms of the Notice of Sale relating to the Notes.

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 NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES.

**EDEN CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK**

School District Officials

2025-26 BOARD OF EDUCATION

Donald Sutfin - President
Jennifer Horschel - Vice President

Cheryl Carpenter
Jack Cuddihy
Jen DellaPenta
Marlene Grunder
Kayla Sinicki

.....

Jeffrey A. Sortisio – Superintendent of Schools
Frances May – Assistant Superintendent for Finance & Operations
Amanda Pachucinski – District Clerk
Natalia Gage – District Treasurer

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School District Attorney

Hodgson Russ LLP

Bond Schoeneck & King PLLC

BOND COUNSEL

Hodgson Russ LLP

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 Notes 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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OFFICIAL STATEMENT
EDEN CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK
(the “District”)

\$3,531,000
Bond Anticipation Notes, 2026A
(the “Notes”)

This Official Statement, which includes the cover page, has been prepared by the Eden Central School District, Erie County, New York (the “District” or the “School District,” “County” and “State,” respectively) in connection with the sale by the District of its \$3,531,000 Bond Anticipation Notes, 2026A (the “Notes”).

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District'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 Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

Statements in this Official Statement, and the documents included by specific reference, which are not historical facts are forward-looking statements, which are based on the District's management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff.

DESCRIPTION OF THE NOTES

The Notes are dated June 30, 2026, and mature, without option of prior redemption, on June 30, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes are general obligations of the District and will contain a pledge of its faith and credit of the District for payment of the principal of and interest on the Notes, 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). Unless paid for from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, sufficient to pay such principal and interest as the same become due, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See “TAX LEVY LIMITATION LAW,” herein.

The Notes will be issued in registered form. At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s), with principal of and interest on the Notes being payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for one Note of a necessary odd denomination, as may be determined by the successful bidder(s). Alternatively, the Notes may be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), with DTC acting as securities depository for the Notes. See “Book-Entry-Only System,” herein. Under the DTC scenario, one fully registered note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number, each in the aggregate principal amount of such issue, and purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (federal funds) by the District directly to DTC for its nominee, Cede & Co.

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the control of the District. See “MARKET AND RISK FACTORS,” herein.

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law and the Local Finance Law, and pursuant to a bond resolution that was duly adopted by the Board of Education (the “Board”) on March 19, 2025, following a positive vote of the qualified voters of the District that was held on December 17, 2024, authorizing the issuance of up to \$15,739,461 of serial bonds to finance an approved District Facilities Maintenance Project consisting of the reconstruction, rehabilitation and renovation of, and the construction of improvements and upgrades to, various District buildings and facilities and sites thereof (the “Project”). The District issued a \$1,469,000 Bond Anticipation Note April 21, 2026. This was the first borrowing against said authorization.

The proceeds of these notes will provide \$3,531,000 of additional new money for the Project.

Book-Entry-Only System

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

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

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

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

Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption proceeds, distributions and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds, distributions, and dividend payments 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 Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

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

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

Source: The Depository Trust Company

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

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

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

Certificated Notes

At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s). In such event, principal of and interest on the Notes will be payable in federal funds at such bank or trust company located and authorized to do business in the State as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for one Note of a necessary odd denomination, as may be determined by the successful bidder(s).

Security and Source of Payment

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

The Notes are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy *ad valorem* taxes on all of the taxable real property in the District without limitation as to rate or amount, subject to certain statutory limitation imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW," herein.

Under the State Constitution, the District is required to pledge its faith and credit for the payment of principal of and interest on the Notes and the State is specifically precluded from restricting the power of the District to levy taxes on real property therefor. See the discussion under "TAX LEVY LIMITATION LAW," herein.

Remedies of Noteholders on Default

Section 99-b of the State Finance Law ("SFL") provides for a covenant between the State 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 of SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds or notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments, and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds or notes

shall be forwarded promptly to the paying agent or agents for the bonds or notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any 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 or notes 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 or notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds or notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to such section of the SFL.

Under current law, provision is made for contract creditors (including holders of the Notes) of the District to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements out of current funds or the proceeds of a tax levy.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of noteholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require exercise by the State of its emergency police power to assure the continuation of essential public service.

Special Provisions Affecting Remedies Upon Default

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgement or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

In accordance with a general rule with respect to municipalities, judgments against the District may not be enforced to levy and execution against property owned by the District.

The federal Bankruptcy Code allows public bodies, such as the District, 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 for 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.

Under the Bankruptcy Code, a petition may be filed in federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Bankruptcy Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors, and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The District has the legal capacity to file a petition under the Bankruptcy Code.

It might be asserted that under the Bankruptcy Code interest and principal debt service payments made by the District within 90 days of the District filing a bankruptcy petition were voidable preferences. In the event these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of the City of New York. The effect of such act was to create a three-year moratorium on action to enforce the payment of such

obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violated the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

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

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

THE SCHOOL DISTRICT

General Information

The District comprises approximately 68 square miles of the southwestern portion of the County including various portions of the Towns of Eden, Boston, Concord, Evans and North Collins (collectively, the "Towns"). The City of Buffalo is located approximately 18 miles to the north.

The area itself is primarily agricultural in nature with commercial activity centered in and around the Town of Eden. Many of the residents are employed within the District while others find employment in the commercial and industrial activities of the City of Buffalo and the Western New York area.

Primary highways serving the area include Interstate 90 and New York State Route 62. Airport facilities are available at the Buffalo Niagara International Airport located about 25 miles to the north.

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

District Population

The population of the School District is estimated to be 9,804. (Source: 2024 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns Of:						
Boston	\$29,537	\$40,883	\$50,862	\$77,115	\$93,549	\$117,950
Concord	23,650	33,049	45,845	55,202	76,891	110,625
Eden	28,379	39,957	42,550	73,675	91,106	104,000
Evans	26,968	31,691	37,872	67,734	73,534	88,720
North Collins	26,168	32,912	45,431	55,984	74,417	109,007
County Of:						
Erie	\$26,378	\$35,050	\$42,777	\$63,404	\$80,437	\$98,766
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 2020-2024 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>
Junior/Senior High School	7-12	1969-70	1,050	2022
Elementary School	3-6	1939	900	2022
Primary	K-2	1954	750	2018
Bus Garage		1939	N/A	2018
CoGeneration Power Plant		2005	N/A	
Concession Building		2018	N/A	

Source: District Officials

District Employees

The District employs a total of 237 full-time and 41 part-time employees with representation by the various bargaining units listed below.

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
Eden Teachers Association	136	6/30/2029
Civil Service Employees Association	123	6/30/2026*
Eden Administrative/Supervisory Association	7	6/30/2026*
Confidential Employees	6	6/30/2026*
Supervisory Staff Association	4	6/30/2026*
Superintendent	1	6/30/2029
Assistant Superintendent for Finance & Operations	1	6/30/2028

*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	1,262	2026-27	1,275
2022-23	1,304	2027-28	1,275
2023-24	1,309	2028-29	1,275
2024-25	1,284	2029-30	1,275
2025-26	1,269	2030-31	1,275

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 new Tier VI pension program was signed into law, 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 State’s Enacted 2026-27 Budget made a number of changes to the Tier VI pension program:

Lowered Retirement Age: The full-benefit retirement age is reduced from 63 to 58 for members with 30 years of service, allowing educators to retire without pension penalties earlier.

Reduced Contribution Rates: Member pension contribution percentages are adjusted into tiered salary brackets:

- \$75,000 or less: 3%
- Over \$75,000 to \$100,000: 4%
- Over \$100,000 to \$125,000: 5.25%
- Over \$125,000: 5.75%

Overtime Cap Increase: For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to \$30,000 plus CPI (up from the previous \$22,500 cap).

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2025-2026 and 2026-27 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$501,714	\$870,920
2021-2022	496,383	955,229
2022-2023	296,460	1,080,688
2023-2024	213,237	1,295,636
2024-2025	613,212	1,401,278
2025-2026 (Budgeted)	700,000	1,157,988
2026-2027 (Budgeted)	934,004	1,072,000

Source: District records

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

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

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

A chart of average ERS and TRS rates as a percent of payroll (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	10.11
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. A TRS Reserve was established June 19, 2019. The current balance is approximately \$706,028.

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

Other Post-Employment Benefits

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

OPEB - refers to "other post-employment benefits," meaning other than pension benefits. OPEB consists primarily of health care benefits; and may include other benefits such as disability benefits and life insurance. Until now, these benefits

have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

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

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

Based on the most recent actuarial valuation dated April 1, 2025, and financial data as of June 30, 2025, the School District's beginning year total OPEB liability was \$1,635,682, the net change for the year was (\$41,615) resulting in a total OPEB liability of \$1,594,067 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.

Unemployment Rate Statistics

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

Year	Erie County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2021	5.4%	6.9%	5.3%
2022	3.6%	4.3%	3.5%
2023	3.8%	4.2%	3.6%
2024	3.9%	4.3%	4.0%
2025	4.0%	4.3%	4.3%

2025-2026 Monthly Figures

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Erie	3.4%	3.4%	3.6%	4.2%	4.3%	4.0%	N/A	3.8%	3.9%	4.5%	5.0%	4.4%
New York State	3.8%	3.8%	4.1%	4.8%	4.9%	4.7%	N/A	4.4%	4.3%	4.7%	5.2%	4.4%
							N/A					

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

N/A due to Government Shutdown

Investment Policy

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

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

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

Form of School Government

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

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

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 2024-25 fiscal year was approved by a majority of the qualified voters of the District on May 21, 2024 by a vote of 243 to 126. 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 2025-26 fiscal year was approved by a majority of the qualified voters of the District on May 20, 2025 by a vote of 364 to 243. The School District's 2025-26 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The Budget for the 2026-27 fiscal year was adopted by the qualified voters of the District on May 19, 2026 by a vote of 454 to 174. 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 45.85% 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 and the 2024-25 State budget which was not adopted until April 20, 2024. 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 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 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 step 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.

School district fiscal year (2025–2026): On January 21, 2025, Governor Hochul released her 2025 - 2026 Executive Budget. The Executive Budget provides for a total of \$37.4 billion in school aid, with \$26.4 billion being in foundation aid (a 5.9% increase from last year), \$3.3 billion in building aid, \$2.7 billion in transportation aid, and \$1.2 billion in prekindergarten aid (the total of building aid, transportation aid, and prekindergarten aid accounting for an aggregate increase of 2.2% since last year). A final budget is scheduled to be approved by April 1, 2025 (the start of New York State's fiscal year). Foundation aid is New York State's main education operating aid formula. It is focused on allocating New York State funds equitably to all school districts, especially high need districts, based on student need, community wealth, and regional cost differences. As stated above, the Executive Budget provides a 5.9% increase (amounting to a \$1.4 billion total increase since last year) in Foundation Aid for the 2025 school year. Foundation aid is intended mainly to support districts' instructional costs. It is the largest aid type within the school aid budget categories. Building aid is considered an expense-based type of aid. The Executive Budget allocates \$3.3 billion in building aid for the 2025 school year.

On January 20, 2026, Governor Hochul released her proposed 2026-27 Executive Budget. The Executive Budget provides for a total of \$39.3 billion in school aid, with \$27.1 billion being Foundation Aid (a 3% increase over the current year). Expense-based and categorical aids, such as school construction, transportation, shared services through the BOCES and special education, are proposed to be increased by \$282 million (a 2.9% increase) for a total budgetary appropriation of \$9.8 billion. Further, the Executive Budget provides for an increase to Universal Prekindergarten aid of \$431 million (40.3%), amounting to a total of \$1.5 billion.

The 2026-2027 budget was adopted on May 28, 2026 and provided \$39 billion in school aid (a \$1.7 billion increase since last year) and \$27.4 billion in foundation aid (a \$1 billion increase since last year). Universal Prekindergarten Aid was increased by \$561 million, bringing the total funding to \$1.6 billion. Finally, the Enacted Budget extended the zero-emission bus mandate by five years, allowing districts until July 1, 2032 to purchase only zero-emission buses and until July 1, 2040 exclusively utilize zero emission buses.

Foundation aid is New York State's main education operating aid formula. It is focused on allocating New York State funds equitably to all school districts, especially high-need districts, based on student need, community wealth, and regional cost differences. As stated above, the Enacted Budget provides \$1 billion increase in Foundation Aid for the 2026-2027 school year. Foundation aid is intended mainly to support district's instructional cost. It is the largest aid category within the school aid budget category. Building aid is considered an expense-based type of aid.

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

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools — as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education — was reasonably determined. State legislative reforms in the wake of *The Campaign for Fiscal Equity* decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in New Yorkers for *Students' Educational Rights v. State of New York* ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school

districts in New York City and Syracuse. The Court emphasized its previous ruling in the Campaign for Fiscal Equity case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, Governor Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and has been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create and equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid, The new settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of existing shortfall.
- FY 2023: Approximately \$21.3 billion, cover 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school Districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Enacted Budget makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.
- FY 2027: \$27.1 billion in Foundation Aid, an increase of \$779 million from 2025-26, and a 2% minimum increase in Foundation Aid to all school districts. The State's 2026-27 Enacted Budget continued to make 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 2025-2026 and 2026-27 fiscal years:

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	\$ 30,248,219	\$ 12,636,020	41.77%
2021-2022	31,214,394	13,250,532	42.45
2022-2023	32,356,167	13,427,019	41.50
2023-2024	34,339,529	14,814,388	43.14
2024-2025	34,978,632	15,093,485	43.15
2025-2026 (Budgeted)	35,112,807	16,098,434	45.85
2026-2027 (Budgeted)	34,860,011	15,303,558	43.90

Source: Audited financial statements for the 2020-2021 fiscal year through the 2024-2025 fiscal year and the adopted budgets of the District for the 2025-2026 and 2026-27 fiscal years. This table is not audited.

Fiscal Stress Monitoring

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

The fiscal stress scores are based on financial information submitted as part of each School District's ST-3 report filed yearly with the State Education Department. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the Office of the State Comptroller 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 it in one of the three established stress categories.

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

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

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 October 4, 2024. The purpose of the audit was to determine whether District officials provided sufficient oversight of and managed the District's 2022 capital project in a transparent manner.

Key Findings

The Board and District officials did not provide adequate oversight or manage the project in a transparent manner. We determined that:

- \$545,538 of additional work was not included in the project proposition or subsequently communicated to voters. As a result, voters were not afforded the opportunity to approve or reject the additional work.
- Officials did not seek competition for \$3.2 million paid for change order work and professional services. Therefore, officials may have paid more than if the work was awarded through a competitive process.
- The Board did not review and approve any of the 108 project change orders totaling \$1.4 million, and officials did not submit change orders to the New York State Education Department (SED) in a timely manner for approval.

Recommendations

The audit report includes eight recommendations to help District officials improve their oversight and management of capital projects.

District officials agreed with the findings and recommendations and indicated they would take corrective action.

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 Comptrollers audits of the District that are currently in progress or pending release.

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

Other Information

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

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

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

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

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 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:					
Boston	\$ 116,891,250	\$ 119,797,509	\$ 120,500,368	\$ 120,377,349	\$ 120,614,311
Concord	5,754,610	5,776,042	5,813,367	5,703,824	5,811,675
Eden	342,309,198	346,932,602	349,390,454	354,038,090	357,708,711
Evans	48,956,752	49,902,740	49,715,218	50,289,754	50,551,598
North Collins	<u>10,851,776</u>	<u>11,124,611</u>	<u>11,095,319</u>	<u>11,271,910</u>	<u>11,484,032</u>
Total	<u>\$ 524,763,586</u>	<u>\$ 533,533,504</u>	<u>\$ 536,514,726</u>	<u>\$ 541,680,927</u>	<u>\$ 546,170,327</u>
Equalization Rates:					
Boston	78.00%	66.00%	59.50%	52.00%	50.00%
Concord	36.00%	34.00%	32.00%	30.00%	26.00%
Eden	53.00%	46.00%	41.00%	37.00%	37.00%
Evans	77.00%	65.00%	58.00%	54.00%	49.00%
North Collins	71.00%	59.00%	56.00%	52.00%	49.00%
Full Valuations:					
Boston	\$ 149,860,577	\$ 181,511,377	\$ 202,521,627	\$ 231,494,902	\$ 241,228,622
Concord	15,985,028	16,988,359	18,166,772	19,012,747	22,352,596
Eden	645,866,411	754,201,309	852,171,839	956,859,703	966,780,300
Evans	63,580,197	76,773,446	85,715,893	93,129,174	103,166,527
North Collins	<u>15,284,192</u>	<u>18,855,273</u>	<u>19,813,070</u>	<u>21,676,750</u>	<u>23,436,800</u>
Total	<u>\$ 890,576,405</u>	<u>\$ 1,048,329,764</u>	<u>\$ 1,178,389,201</u>	<u>\$ 1,322,173,275</u>	<u>\$ 1,356,964,845</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>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Boston	\$ 21.83	\$ 21.83	\$ 22.35	\$ 22.49	\$ 23.40	\$ 24.32
Concord	47.30	47.30	43.38	41.82	40.55	46.77
Eden	32.13	32.13	32.06	32.64	32.88	32.86
Evans	22.11	22.11	22.69	23.07	22.53	24.82
North Collins	23.98	23.98	25.00	23.90	23.40	24.82

Tax Collection Procedure

The real property taxes of the District are collected by the Towns. Such taxes are due on September 15 and may be paid without penalty through October 15. The Towns pay to the District the amounts collected on a periodic basis. The penalty on unpaid taxes is 5% from October 16 to October 31 and an additional 1% for each month thereafter. On or about December 1, the Towns file reports of any uncollected District taxes with the County. The County thereafter on or before April 1, pays to the District the full amount of its uncollected taxes. Thus, the full amount of the District’s real property tax levy is collected by the District in the fiscal year of the levy. The County has the power to issue and sell tax anticipation notes to fund the reimbursement of uncollected taxes due to the District.

The District is not responsible for the collection of taxes of any other unit of government.

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	\$13,460,906	\$13,822,071	\$14,214,910	\$14,653,600	\$15,202,727
Amount Uncollected	206,741	219,055	410,269	272,865	215,576
% Uncollected	1.54%	1.58%	2.89%	1.86%	1.42%

Note: * Collection information is as of 12/9/2025.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2020-2021	\$ 30,248,219	\$ 13,316,898	44.03%
2021-2022	31,214,394	13,464,445	43.14
2022-2023	32,356,167	13,823,885	42.72
2023-2024	34,339,529	14,224,388	41.42
2024-2025	34,978,632	14,653,600	41.89
2025-2026 (Budgeted)	35,112,807	15,196,953	43.28
2026-2027 (Budgeted)	34,860,011	15,613,107	44.79

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

Major Taxpayers 2025

For 2025-26 Tax Roll		
<u>Name</u>	<u>Type</u>	<u>Assessed Value</u>
National Fuel Gas District/ & NFG Supply	Utility	\$9,161,001
Tennessee Gas Pipeline Co.	Gas	3,411,544
National Grid	Utility	2,790,822
Preischel, Anthony	Gas Developer	1,541,084
Eden Evans RE, LLC	Corporation	1,435,000
Niagara Mohawk Power Corp.	Utility	1,319,872
Schreiber & Winkelman Inc.	Manufacturer	1,261,410
1670 Southwestern Self	Storage Facility	1,163,200
Copart of Connecticut, Inc.	Auto Storage Facility	1,108,400
Henry WD & Sons/Henry Realty	Agricultural	1,097,158
Total		\$24,289,491

1. The above taxpayers represent 4.44% of the School District's 2025-26 Assessed value of \$546,170,327.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certiorari claims 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 \$110,750 or less in 2026, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$88,500 for the 2026-27 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.

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 modified the then-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.

On June 25, 2015, Chapter 20 of the 2015 Laws of New York amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016, to June 15, 2020. The State's enacted budget for the fiscal year ending March 31, 2020, made the Tax Levy Limitation Law permanent.

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 28 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, applicable to the Notes. The State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the year 2020-2021 school year, to adjust the exclusion to reflect a school district's share of capital expenditures related to projects funded through a board of cooperative education services ("BOCES").

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 laws, including the Education Law.

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

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

The Local Finance Law also provides 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. (a) Such obligations are authorized for an object or purpose of which the District is not authorized to expend money; or
(b) The provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with;

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of the notice; or

2. Such obligations were authorized in violation of the provisions of the Constitution of New York.

The District typically complies with this estoppel procedure, and it has done so with respect to the bond resolution pursuant to which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell

the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

Statutory law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance of such notes and provided that such renewal issues do not exceed five years beyond the original date of borrowing. Additionally, in response to the COVID-19 pandemic, legislation has been adopted that allows certain bond anticipation notes originally issued between 2015 and 2021 to be renewed up to seven years prior to the issuance of serial bonds.

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>\$16,655,000</u>	<u>\$26,895,122</u>	<u>\$25,670,122</u>	<u>\$23,780,000</u>	<u>\$21,980,000</u>
Total Debt Outstanding	\$16,655,000	\$26,895,122	\$25,670,122	\$23,780,000	\$21,980,000

Status of Outstanding Bond Issues

Year of Issue:	2019		2022	
Amount Issued:	\$17,385,000		\$12,000,122	
Purpose/Instrument:	Construction/Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>		
2026	\$ 1,215,000	\$ 415,100	\$ 645,000	\$ 430,200
2027	1,275,000	354,350	670,000	404,400
2028	1,325,000	303,350	700,000	377,600
2029	1,375,000	250,350	730,000	349,600
2030	1,430,000	195,350	750,000	320,400
2031	1,490,000	138,150	780,000	290,400
2032	1,535,000	93,450	810,000	259,200
2033	<u>1,580,000</u>	<u>47,400</u>	840,000	226,800
2034			850,000	193,200
2035			875,000	159,200
2036			890,000	124,200
2037			925,000	88,600
2038			935,000	51,600
2039			<u>355,000</u>	<u>14,200</u>
Totals:	\$ 11,225,000	\$ 1,797,500	\$ 10,755,000	\$ 3,289,600

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	\$ 1,860,000	\$ 845,300	\$ 2,705,300	9.99%
2027	1,945,000	758,750	2,703,750	19.98%
2028	2,025,000	680,950	2,705,950	29.98%
2029	2,105,000	599,950	2,704,950	39.97%
2030	2,180,000	515,750	2,695,750	49.93%
2031	2,270,000	428,550	2,698,550	59.90%
2032	2,345,000	352,650	2,697,650	69.87%
2033	2,420,000	274,200	2,694,200	79.82%
2034	850,000	193,200	1,043,200	83.68%
2035	875,000	159,200	1,034,200	87.50%
2036	890,000	124,200	1,014,200	91.25%
2037	925,000	88,600	1,013,600	94.99%
2038	935,000	51,600	986,600	98.64%
2039	355,000	14,200	369,200	100.00%
Totals:	\$ 21,980,000	\$ 5,087,100	\$ 27,067,100	

Cash Flow Borrowings

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

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	4/21/2026	6/25/2026	3.82%	\$1,469,000*

*The notes will be paid in full with current funds of the District.

Capital Project Plans

On December 17, 2024, the District took before its qualified voters a \$30,000,000 Capital Project. Proposition #1 (\$19,300,000 plus \$3,560,539 capital reserve) consisting of EE roof replacement, GLP parking lot replacement, ventilation updates, Pre-K room renovations, MS/HS roof, parking lot and sidewalk replacement passed 352 yes to 172 no. Proposition #2 (\$10,700,000-no capital reserve utilized) consisting of EE classroom renovations, sidewalk replacement, MS/HS auditorium foyer, stage and finish upgrades, Main Office & Guidance updates, baseball scoreboard replacement and select A/C upgrades failed 222 yes to 302 no. The District issued a \$1,469,000 Bond Anticipation Note April 21, 2026. This was the first borrowing against said authorization.

The Proceeds of these notes will provide \$3,531,000 of additional new money for the Project.

The District is currently looking at a proposed Capital Project to take before the voters in 2027.

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 78.2%.

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 June 2, 2026

<u>Town</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization</u> <u>Rate</u>	<u>Taxable Full Valuation</u>
Boston	\$ 120,614,311	50.00%	\$ 241,228,622
Concord	5,811,675	26.00%	22,352,596
Eden	357,708,711	37.00%	966,780,300
Evans	50,551,598	49.00%	103,166,527
North Collins	11,484,032	49.00%	23,436,800
			<u>\$ 1,356,964,845</u>
Debt Limit: 10% of Full Valuation			\$ 135,696,484
Inclusions:			
Serial Bonds			\$ 21,980,000
Bond Anticipation Notes			1,469,000
Total Inclusions:			<u>\$ 23,449,000</u>
Exclusions:			
Building Aid Estimate ¹			<u>\$0</u>
Total Exclusions:			<u>\$0</u>
Total Net Indebtedness Before Giving Effect to This Issue:			\$ 23,449,000
New Monies This Issue:			<u>3,531,000</u>
Total Net Indebtedness After Giving Effect To This Issue			<u>\$ 26,980,000</u>
Net Debt Contracting Margin			\$ 108,716,484
Percentage of Debt-Contracting Power Exhausted			19.88%
Notes:	<p>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</p>		

Estimated Overlapping Indebtedness

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u>	¹ <u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Erie County	\$ 1,356,964,845		\$ 545,518,316	N/A	\$ 545,518,316	\$ 7,633,929
Town of Boston	\$ 241,228,622		\$ 7,817,400	N/A	\$ 7,817,400	\$ 1,890,939
Town of Concord	\$ 22,352,596		\$ 1,755,941	N/A	\$ 1,755,941	\$ 45,907
Town of Eden	\$ 966,780,300	100.00%	\$ 12,338,000	N/A	\$ 12,338,000	\$ 12,338,000
Town of Evans	\$ 103,166,527		\$ 14,965,600	N/A	\$ 14,965,600	\$ 982,683
Town of North Collins	\$ 23,436,800		\$ 233,137	N/A	\$ 233,137	\$ 16,900
Total						<u>\$ 22,908,358</u>

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

Notes: Bonds and Bond Anticipation notes as of 2025 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 June 2, 2026:

	Amount	Per Capita ^(a)	Percentage of Full Value ^(b)
Net Indebtedness	\$ 26,980,000	\$ 2,751.94	1.988%
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 49,888,358	\$ 5,088.57	3.676%

(a) The District's estimated population is 9,804. (Source: 2024 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2025-26 is \$1,356,964,845.

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

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. One such risk is that the District will be unable to promptly pay interest and principal on the Notes as they become due (see “Remedies of Noteholders on Default,” herein). If a Noteholder elects to sell his or her investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition, there may be other risk factors which a potential 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.

There are a number of factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected revenue increase in tax certiorari proceedings could result in a reduction in the assessed valuation of taxable real property in the District. In addition, to the extent that the District is dependent on State aid, there can be no assurance that such aid will be continued in the future. Unforeseen developments could also result in substantial increases in District expenditures, thus placing considerable strain on the District’s financial condition.

The financial condition of the District as well as the market for the Notes 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, including for example, the seeking by a municipality or remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State 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 Notes, could be adversely affected.

If and when a holder of any Note should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates, if interest rates rise. The price of a Note will decline, causing the Noteholder to incur a capital loss upon the sale of such Note (unless such Note is held to maturity).

On December 22, 2017, former-President Trump signed into law the significant tax reform legislation that is generally referred to as the “Tax Cuts and Jobs Act of 2017” (the “TCJA”). The TCJA made significant changes to the Code, most of which became effective for the 2018 tax year. The TCJA made extensive changes to the deductibility of various taxes, including placing a cap of \$10,000 on a taxpayer’s deduction of state and local taxes.

On August 16, 2022, former President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376). This legislation will impose a minimum tax of 15 percent on the “adjusted financial statement income” of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with at least \$1 billion in average annual earnings, and certain foreign-parented multinational corporations with at least \$100 million in average annual earnings, determined over a three-year period. For this purpose, adjusted financial statement income is not reduced for interest and earned on tax-exempt obligations. Prospective holders of the Notes that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Notes.

Cyber Security

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

The Trump administration has publicly discussed dismantling the federal Education Department. It is not possible to know what impact that would have on school districts across the country, including the School District. Additionally, the Trump administration has proposed, and imposed, tariffs on a variety of different nations across the globe. The effects of such tariffs are not known at this time. Finally, the validity of such tariffs have been challenged in federal court, but a final outcome has yet to be determined.

TAX EXEMPTION

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel will deliver an opinion that, under existing law, the interest on the Notes is excluded from gross income, of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Notes to become subject to federal income taxation from the date of issuance of the Notes. We observe that interest on the notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Such opinion will state that interest on the Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof (including the City of New York).

In rendering the foregoing opinion, Hodgson Russ LLP will note that the exclusion of the interest on the Notes from gross income for federal income tax purposes is subject to among other things, continuing compliance by the District with the applicable requirements of Sections 141, 148 and 149 of the Code and regulations promulgated thereunder (collectively, the “Tax Requirements”). In the opinion of Hodgson Russ LLP, the tax certificate and the non-arbitrage certificate that will be executed and delivered by the District in connection with the issuance of the Notes (collectively, the “Certificates”) establish the requirements and procedures, compliance with which will satisfy the Tax Requirements applicable to the Notes.

The Tax Requirements referred to above, which must be complied with in order that interest on the Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1. The requirement that the proceeds of the Notes be used in a manner so that the Notes are not obligations which meet the definition of a “private activity bond” within the meaning of Code Section 141;
2. The requirement contained in Code Section 148 relating to arbitrage bonds; and
3. The requirement the payment of principal or interest on the Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Section 149(b) of the Code.

In the Certificates, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

Prospective purchasers of the Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporation, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Notes. Bond Counsel expresses no opinion regarding any such collateral federal tax consequences.

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Notes under Code Section 3406, if such holder fails to provide the information required on Internal Revenue Service (“IRS”) form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding,

would be allowed as a refund or credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Notes from gross income for federal income tax purposes.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Notes may affect the tax status of interest on the Notes. The Code has been continuously subject to legislative modifications, amendments, and revisions and proposals for future changes are regularly submitted by leaders of the legislative and executive branches of the federal government. No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Notes or the tax consequences of ownership of the Notes. Prospective purchasers are encouraged to consult their own legal and tax advisors with respect to these matters.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the School District, such opinion to be delivered with the Notes.

DISCLOSURE UNDERTAKING

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, unless the Notes are purchased for the purchaser's own account, as principal for investment and not for resale, the School District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as "Appendix C". A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Bonds as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

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

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

The School District has established procedures designed to ensure that future filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the attorney for the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

BOND RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District.

The most recent underlying rating assigned to the School District by Moody's Investor Service is an Aa3 rating, which was assigned in connection with the issuance by the School District of \$12,000,122 School District (Serial) Bonds dated June 23, 2022.

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. Any desired explanation of the significance of such rating should be obtained from Standard & Poor's Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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 particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market of the outstanding bonds.

MUNICIPAL ADVISOR

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

MISCELLANEOUS

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

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

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, to the District, expresses no opinion 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 Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

The School District's contact information is as follows: Frances May, Assistant Superintendent for Finance & Operations, phone: (716) 992-3613; email: fmay@edencsd.org.

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

Eden Central School District

Dated: June 10, 2026
Eden, New York

Donald Sutfin
President of the Board of Education

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	Budget					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Beginning Fund Balance - July 1	\$15,008,433	\$13,296,274	\$15,050,785	\$16,599,083	\$17,181,013	\$17,326,444
Revenues:						
Real Property Taxes	\$13,316,898	\$13,464,445	\$13,823,885	\$14,224,388	\$14,653,600	\$15,196,953
Other Real Property Tax Items	1,871,945	1,721,475	1,664,609	1,569,703	1,455,355	1,328,015
Non-Property Tax Items	1,555,712	2,012,768	2,079,394	2,080,033	2,128,853	1,914,304
Charges for Services	267,532	341,358	482,282	455,992	383,704	158,550
Use of Money & Property	40,575	40,726	346,608	728,312	787,082	163,051
Sale of Property/Comp. for Loss	10,542	24,657	15,784	127,749	69,552	3,500
Miscellaneous	177,094	200,631	418,323	199,261	274,930	150,000
State Aid	12,636,020	13,250,532	13,427,019	14,814,388	15,093,485	16,098,434
Federal Aid	371,901	153,518	88,139	139,028	132,071	100,000
Interfund Transfer	<u>0</u>	<u>4,284</u>	<u>10,124</u>	<u>675</u>	<u>0</u>	<u>0</u>
Total Revenues	\$30,248,219	\$31,214,394	\$32,356,167	\$34,339,529	\$34,978,632	\$35,112,807
Expenditures:						
General Support	\$3,630,037	\$3,591,779	\$3,824,385	\$3,925,662	\$3,868,205	\$4,254,167
Instruction	14,924,102	15,257,736	16,055,510	18,068,536	18,330,397	20,748,127
Transportation	1,966,251	2,098,492	2,328,767	2,090,750	2,803,312	2,247,297
Community Service	0	13,245	17,826	18,949	19,258	25,116
Employee Benefits	5,650,036	5,925,205	6,243,584	6,617,412	6,722,642	8,276,073
Debt Service	2,398,861	2,425,290	2,290,491	2,906,290	2,728,850	4,322,459
Interfund Transfer	<u>3,391,091</u>	<u>148,136</u>	<u>47,306</u>	<u>130,000</u>	<u>360,537</u>	<u>203,529</u>
Total Expenditures	\$31,960,378	\$29,459,883	\$30,807,869	\$33,757,599	\$34,833,201	\$40,076,769
Adjustments	0	0	0	0	0	0
Year End Fund Balance	\$13,296,274	\$15,050,785	\$16,599,083	\$17,181,013	\$17,326,444	\$12,362,482
Excess (Deficit) Revenues Over Expenditures	(\$1,712,159)	\$1,754,511	\$1,548,298	\$581,930	\$145,431	(\$4,963,962)

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

Note: 1. Appropriated Fund Balance is planned to be used
E. Estimated

General Fund-Budget Summary

2026-267 Adopted Budget

Revenues:

Real Property Taxes & STAR	\$15,613,107
Other Tax Items	3,293,496
Charges for Services	199,350
Use of Money & Property	161,000
Sale of Property	3,500
Miscellaneous	186,000
State Aid	15,303,558
Federal Aid	100,000
Interfund Transfers	0
Reserves	2,061,009
Appropriated Fund Balance	3,000,000
Total Revenues	<u>\$39,921,020</u>

Expenditures:

General Support	\$4,731,635
Instruction	20,960,154
Transportation	2,474,880
Community Services	25,340
Employee Benefits	8,295,761
Debt Service	3,208,750
Interfund Transfers	224,500
Total Expenditures	<u>\$39,921,020</u>

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>
Assets:					
Cash and Cash Equivalents	\$3,900,010	\$3,769,660	\$4,699,184	\$5,568,084	\$4,481,109
Restricted Cash and Cash Equivalents	9,178,097	10,686,973	10,830,969	11,096,794	12,104,224
Receivables	6,449	1,686	292,623	308,036	258,170
Due from Other Funds Intergovernmental	469,129	898,503	899,864	788,137	947,831
Receivables	1,325,346	1,205,331	1,491,599	1,519,247	1,792,460
Prepaid items	245,799	279,044	259,647	262,421	315,141
Inventories	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$15,124,830</u>	<u>\$16,841,197</u>	<u>\$18,473,886</u>	<u>\$19,542,719</u>	<u>\$19,898,935</u>
Liabilities:					
Accounts Payable	\$136,469	\$173,066	\$72,910	\$190,246	\$199,504
Accrued Liabilities	473,176	426,642	453,530	655,514	689,785
Due to Other Funds	697	0	0	699	0
Due to Retirement Systems	1,200,511	1,175,565	1,341,048	1,508,872	1,673,194
Intergovernmental Payables	16,903	0	0	0	0
Unearned Revenues	<u>800</u>	<u>15,139</u>	<u>7,315</u>	<u>6,375</u>	<u>10,008</u>
Total Liabilities:	<u>\$1,828,556</u>	<u>\$1,790,412</u>	<u>\$1,874,803</u>	<u>\$2,361,706</u>	<u>\$2,572,491</u>
Deferred Inflows of Resources:					
State Aid Receivable	\$0	\$0	\$0	\$0	\$0
Fund Balances:					
Nonspendable	245,799	279,044	259,647	262,421	315,141
Restricted	9,177,297	10,671,834	10,823,654	11,090,419	12,094,216
Assigned	2,691,218	2,776,437	4,061,685	4,319,254	3,314,016
Unassigned	<u>1,181,960</u>	<u>1,323,470</u>	<u>1,454,097</u>	<u>1,508,919</u>	<u>1,603,071</u>
Total Fund Balance	<u>\$13,296,274</u>	<u>\$15,050,785</u>	<u>\$16,599,083</u>	<u>\$17,181,013</u>	<u>\$17,326,444</u>
Total Liabilities and Fund Balance	<u>\$15,124,830</u>	<u>\$16,841,197</u>	<u>\$18,473,886</u>	<u>\$19,542,719</u>	<u>\$19,898,935</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.

EDEN CENTRAL
SCHOOL DISTRICT, NEW YORK
*Basic Financial Statements, Required Supplementary
Information and Supplementary Information for the Year
Ended June 30, 2025 and Independent Auditors' Reports*

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
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INDEPENDENT AUDITORS' REPORT

The Board of Education
Eden Central School District, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Brecher & Malecki LLC

October 2, 2025

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Management's Discussion and Analysis
Year Ended June 30, 2025

As management of the Eden Central School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the District's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2025 by \$31,409,861 (*net position*). This consists of \$16,982,216 net investment in capital assets, \$12,686,069 restricted for specific purposes, and unrestricted net position of \$1,741,576.
- The District's total net position increased \$2,072,314 during the year ended June 30, 2025.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$18,705,187, an increase of \$488,138 in comparison with prior year's fund balance of \$18,217,049.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$1,603,071, or approximately 4.6 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the District's discretion and constitutes approximately 9.3 percent of the General Fund's total fund balance of \$17,326,444 at June 30, 2025.
- The District's total bonded indebtedness decreased by \$1,800,000 as a result of scheduled principal payments.

Overview of the Financial Statements

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

Government-wide financial statements—The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

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

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

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

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Aid Fund, School Lunch Fund, Student Activities Fund, Debt Service Fund and Capital Projects Fund, all of which are considered major funds.

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

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

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

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-44 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District’s net pension liability/(asset), the changes in the District’s total other postemployment benefits (“OPEB”) obligation, and the District’s budgetary comparison for the General Fund. Required Supplementary Information and related notes to the required supplementary information can be found on pages 45-52 of this report.

Other supplementary information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 53-55.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$31,409,861 at June 30, 2025, as compared to \$29,337,547 at the close of the fiscal year ended June 30, 2024.

Table 1, shown below, presents a condensed statement of net position of the District at June 30, 2025 and June 30, 2024.

Table 1—Condensed Statements of Net Position

	June 30,	
	2025	2024
Current assets	\$ 21,719,068	\$ 20,579,717
Noncurrent assets	42,429,931	41,162,176
Total assets	<u>64,148,999</u>	<u>61,741,893</u>
Deferred outflows of resources	<u>6,339,354</u>	<u>7,460,947</u>
Current liabilities	3,118,914	2,479,476
Noncurrent liabilities	30,067,118	32,107,287
Total liabilities	<u>33,186,032</u>	<u>34,586,763</u>
Deferred inflows of resources	<u>5,892,460</u>	<u>5,278,530</u>
Net position:		
Net investment in capital assets	16,982,216	16,081,984
Restricted	12,686,069	11,331,608
Unrestricted	1,741,576	1,923,955
Total net position	<u>\$ 31,409,861</u>	<u>\$ 29,337,547</u>

The largest portion of the Districts' net position, \$16,982,216, reflects its investment in capital and right-to-use assets (e.g. land, buildings, improvements, equipment and lease assets), net of accumulated depreciation/amortization and less any related outstanding debt used to acquire those assets. The District uses these capital and right-to-use assets to provide a variety of services to students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Districts net position, \$12,686,069, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The remaining portion of the District's net position, \$1,741,576, represents unrestricted net position that may be used to meet the District's ongoing operations.

Table 2, as presented below, shows the changes in net position for the years ended June 30, 2025 and June 30, 2024:

Table 2—Condensed Statements of Changes in Net Position

	<u>Year Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Program revenues:		
Charges for services	\$ 596,273	\$ 767,687
Operating grants and contributions	2,200,691	2,134,249
General revenues	<u>35,666,203</u>	<u>33,681,181</u>
Total revenues	<u>38,463,167</u>	<u>36,583,117</u>
Program expenses	<u>36,390,853</u>	<u>36,018,372</u>
Change in net position	2,072,314	564,745
Net position—beginning	<u>29,337,547</u>	<u>28,772,802</u>
Net position—ending	<u>\$ 31,409,861</u>	<u>\$ 29,337,547</u>

Overall revenues increased by 5.1 percent from the prior year, due primarily to increases in state aid and insurance recoveries. Total expenses increased by 1.0 percent from the prior year ended June 30, 2024, largely as a result of an increase in allocable employee benefits related to pensions.

A summary of sources of revenues for the years ended June 30, 2025 and June 30, 2024 is presented on the following page in Table 3.

Table 3—Summary of Sources of Revenues

	Year ended June 30,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
Charges for services	\$ 596,273	\$ 767,687	\$ (171,414)	(22.3)
Operating grants and contributions	2,200,691	2,134,249	66,442	3.1
Real property taxes and other tax items	16,108,955	15,794,091	314,864	2.0
Non property tax items	2,128,853	2,080,033	48,820	2.3
Use of money and property	815,596	817,024	(1,428)	(0.2)
Sale of property and compensation for loss	1,225,802	127,749	1,098,053	859.5
Miscellaneous	285,319	199,287	86,032	43.2
State sources—unrestricted	15,101,678	14,662,997	438,681	3.0
Total revenues	<u>\$ 38,463,167</u>	<u>\$ 36,583,117</u>	<u>\$ 1,880,050</u>	5.1

The most significant sources of revenue for the year ended June 30, 2025 were real property taxes and other tax items of \$16,108,955, or 41.9 percent of total revenues, and unrestricted State sources of \$15,101,678, or 39.3 percent of total revenues. Similarly, for the year ended June 30, 2024 the most significant sources of revenue were real property taxes and other tax items of \$15,794,091, or 43.2 percent of total revenues, and unrestricted State sources of \$14,662,997, or 40.1 percent of total revenues.

A summary of program expenses for the years ended June 30, 2025 and June 30, 2024 is presented below in Table 4:

Table 4—Summary of Program Expenses

	Year ended June 30,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
General support	\$ 5,324,369	\$ 4,800,062	\$ 524,307	10.9
Instruction	25,477,719	27,044,433	(1,566,714)	(5.8)
Pupil transportation	3,836,308	2,655,030	1,181,278	44.5
School food service	912,583	621,961	290,622	46.7
Student activities	120,202	25,993	94,209	362.4
Interest and other fiscal charges	719,672	870,893	(151,221)	(17.4)
Total program expenses	<u>\$ 36,390,853</u>	<u>\$ 36,018,372</u>	<u>\$ 372,481</u>	1.0

The most significant expense items for the year ended June 30, 2025 were instruction of \$25,477,719, or 70.0 percent of total expenses, general support of \$5,324,369, or 14.6 percent of total expenses, and pupil transportation of \$3,836,308, or 10.5 percent of total expenses. Similarly, the most significant expense items for the year ended June 30, 2024 were instruction of \$27,044,433, or 75.1 percent of total expenses, general support of \$4,800,062 or 13.3 percent of total expenses, and pupil transportation of \$2,655,030, or 7.4 percent of total expenses.

Financial Analysis of Governmental Funds

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

Governmental funds—The focus of the District’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, *unassigned fund balance* and *fund balance assigned to specific use* in special revenue funds may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of Education.

As of June 30, 2025, the District’s governmental funds reported combined ending fund balance of \$18,705,187, an increase of \$488,138 from the prior year fund balance of \$18,217,049. Approximately 8.6 percent of this amount, \$1,603,071, of the combined ending fund balances constitutes *unassigned fund balance*, which is available for spending at the District’s discretion. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is: (1) not in spendable form, \$321,603, (2) restricted for particular purposes, \$13,375,412, or (3) assigned for particular purposes, \$3,405,101.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,603,071, while the total fund balance increased to \$17,326,444. As a measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 4.6 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 49.7 percent of that same amount.

The total fund balance of the District’s General Fund increased by \$145,431 during the current fiscal year. During the annual budget process, the District appropriated \$4,319,254 of unrestricted fund balance (this included funds appropriated from fund balance, \$3,138,578, and the re-appropriation of prior year’s encumbrances, \$1,180,676) in addition to the planned use of \$3,314,016 of restricted fund balance for spending in the District’s 2024-2025 fiscal year and a budgetary amendment of \$888,724 for the purchase of school buses.

The Special Aid Fund maintains funds that are received by the State and Federal governments. Revenues totaled \$1,315,502 and were mainly comprised of State and Federal sources. Expenditures totaled \$1,378,769 and were mostly used towards the instruction and employee benefits. The difference was supported by a \$63,267 transfer from the General Fund.

The School Lunch Fund total fund balance is \$97,547 as of June 30, 2025. The School Lunch Fund maintains inventory of \$6,462, which is considered nonspendable fund balance.

The Student Activities Fund reports a fund balance of \$158,597 at June 30, 2025, an increase of \$387 from the prior year. This total fund balance amount is classified as restricted fund balance for the future payment of extraclassroom and other activities on behalf of the students.

At June 30, 2025, the District’s Debt Service Fund reports a fund balance of \$822,339, an increase of \$46,121 from the prior year fund balance, as a result of interest earnings and transfers in from the General Fund and Capital Projects Fund. This total fund balance amount is classified as restricted fund balance for future debt service payments.

At June 30, 2025, the District’s Capital Projects Fund total fund balance is \$300,260, an increase of \$296,198 from the prior year’s fund balance of \$4,062. The increase is due to significant insurance recoveries received during the fiscal year end.

General Fund Budgetary Highlights

The District’s General Fund budget generally contains a minimal amount of budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year’s encumbrances since the funds were allocated under the previous year’s budget, and the District has appropriately assigned an equal amount of fund balance at year-end for this purpose. Additionally, there was a \$888,724 increase in appropriations between the original and final amended budget for a voter-approved bus and equipment purchase.

A summary of revisions from adopted budget to final budget is presented below in Table 5.

Table 5—General Fund Budget

Adopted budget, 2024-2025	\$ 37,722,985
Add: Prior year's encumbrances	<u>1,180,676</u>
Original budget, 2024-2025	38,903,661
Budget revisions: Voter approved purchase of buses and equipment	<u>888,724</u>
Final budget, 2024-2025	<u>\$ 39,792,385</u>

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

Capital Assets and Debt Administration

Capital assets—The District’s investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$40,335,083 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and right-to-use lease assets. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the District’s capital asset policy.

Capital assets, net of depreciation and amortization for the governmental activities at June 30, 2025 and June 30, 2024 are presented below in Table 6:

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

	June 30,	
	<u>2025</u>	<u>2024</u>
Land	\$ 142,997	\$ 142,997
Construction in progress	1,011,445	-
Land improvements	3,431,428	3,728,134
Buildings and improvements	31,802,954	33,460,054
Furniture and equipment	1,412,833	1,503,305
Vehicles	2,228,979	1,765,628
Right-to-use lease assets	<u>469,277</u>	<u>562,058</u>
Total	<u>\$ 40,499,913</u>	<u>\$ 41,162,176</u>

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

Long-term liabilities—At June 30, 2025, the District had serial bonds outstanding of \$21,980,000, as compared to \$23,780,000 in the prior year. During the year ended June 30, 2025, the District made scheduled principal payments of \$1,800,000.

A summary of the District’s long-term liabilities at June 30, 2025 and June 30, 2024 is presented below in Table 7:

Table 7—Summary of Long-Term Liabilities

	June 30,	
	2025	2024
Serial bonds	\$ 21,980,000	\$ 23,780,000
Premium on serial bonds	1,800,090	1,997,493
Compensated absences	2,622,630	2,018,741
OPEB obligation	1,594,067	1,635,682
Net pension liability	2,070,331	2,675,371
Total	<u>\$ 30,067,118</u>	<u>\$ 32,107,287</u>

Additional information on the District’s long-term liabilities can be found in Note 9 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

During the current fiscal year, the District appropriated \$3,065,555 of the General Fund’s unassigned fund balance and \$1,898,407 of restricted fund balance for spending in the District’s 2025-2026 fiscal year budget. The 2025-2026 adopted budget appropriations total of \$40,076,769 is an approximate increase of 5.9 percent as compared to \$37,722,985 in 2024-2025. The District’s total budgeted tax levy in 2025-2026 is \$16,500,419, which is an approximate increase of 2.6 percent as compared to \$16,085,148 levied during the 2024-2025 year.

Requests for Information

This financial report is designed to provide our community, taxpayers, creditors and investors with a general overview of the District’s finances and to show the District’s accountability. If you have any questions about this report or need additional financial information, contact Frances May, Assistant Superintendent for Finance and Operations, 8289 N Main St., Eden, New York 14057.

BASIC FINANCIAL STATEMENTS

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EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Net Position
June 30, 2025

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 4,511,802
Restricted cash and cash equivalents	13,099,529
Receivables	1,414,420
Intergovernmental receivables	2,371,714
Prepaid items	315,141
Inventories	6,462
Noncurrent net pension asset	1,930,018
Capital assets not being depreciated/amortized	1,154,442
Capital assets, net of accumulated depreciation/amortization	39,345,471
Total assets	64,148,999
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	6,281,826
Deferred outflows—relating to OPEB	57,528
Total deferred outflows of resources	6,339,354
LIABILITIES	
Accounts payable	627,421
Accrued liabilities	794,818
Due to retirement systems	1,673,194
Intergovernmental payables	71
Unearned revenue	23,410
Noncurrent liabilities:	
Due within one year	2,188,535
Due within more than one year	27,878,583
Total liabilities	33,186,032
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	2,630,638
Deferred inflows—relating to OPEB	3,261,822
Total deferred inflows of resources	5,892,460
NET POSITION	
Net investment in capital assets	16,982,216
Restricted:	
Unemployment insurance	157,225
Retirement contribution	2,558,816
Tax certiorari	46,758
Employee benefits	1,445,900
Repairs	186,422
Workers' compensation	323,545
Liability claims	599,826
Debt service	132,996
Capital projects	7,075,984
Student activities	158,597
Unrestricted	1,741,576
Total net position	\$ 31,409,861

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
Year Ended June 30, 2025

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Governmental activities:				
General support	\$ 5,324,369	\$ -	\$ -	\$ (5,324,369)
Instruction	25,477,719	407,429	1,415,655	(23,654,635)
Pupil transportation	3,836,308	-	-	(3,836,308)
School food service	912,583	70,414	785,036	(57,133)
Student activities	120,202	118,430	-	(1,772)
Interest and other fiscal charges	719,672	-	-	(719,672)
Total primary government	<u>\$ 36,390,853</u>	<u>\$ 596,273</u>	<u>\$ 2,200,691</u>	<u>(33,593,889)</u>
General revenues:				
Real property taxes and other tax items				16,108,955
Non property tax items				2,128,853
Use of money and property				815,596
Sale of property and compensation for loss				1,225,802
Miscellaneous				285,319
State sources—unrestricted				15,101,678
Total general revenues				<u>35,666,203</u>
Change in net position				2,072,314
Net position—beginning				<u>29,337,547</u>
Net position—ending				<u>\$ 31,409,861</u>

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Balance Sheet—Governmental Funds
June 30, 2025

	Special Revenue						Total Governmental Funds
	General	Special Aid	School Lunch	Student Activities	Debt Service	Capital Projects	
ASSETS							
Cash and cash equivalents	\$ 4,481,109	\$ -	\$ 30,693	\$ -	\$ -	\$ -	\$ 4,511,802
Restricted cash and cash equivalents	12,104,224	-	13,402	159,564	822,339	-	13,099,529
Receivables	258,170	-	-	-	-	1,156,250	1,414,420
Due from other funds	947,831	-	-	-	-	-	947,831
Intergovernmental receivables	1,792,460	518,791	60,463	-	-	-	2,371,714
Prepaid items	315,141	-	-	-	-	-	315,141
Inventories	-	-	6,462	-	-	-	6,462
Total assets	<u>\$ 19,898,935</u>	<u>\$ 518,791</u>	<u>\$ 111,020</u>	<u>\$ 159,564</u>	<u>\$ 822,339</u>	<u>\$ 1,156,250</u>	<u>\$ 22,666,899</u>
LIABILITIES							
Accounts payable	\$ 199,504	\$ -	\$ -	\$ 967	\$ -	\$ 426,950	\$ 627,421
Accrued liabilities	689,785	-	-	-	-	-	689,785
Due to other funds	-	518,791	-	-	-	429,040	947,831
Due to retirement systems	1,673,194	-	-	-	-	-	1,673,194
Intergovernmental payables	-	-	71	-	-	-	71
Unearned revenue	10,008	-	13,402	-	-	-	23,410
Total liabilities	<u>2,572,491</u>	<u>518,791</u>	<u>13,473</u>	<u>967</u>	<u>-</u>	<u>855,990</u>	<u>3,961,712</u>
FUND BALANCES							
Nonspendable	315,141	-	6,462	-	-	-	321,603
Restricted	12,094,216	-	-	158,597	822,339	300,260	13,375,412
Assigned	3,314,016	-	91,085	-	-	-	3,405,101
Unassigned	1,603,071	-	-	-	-	-	1,603,071
Total fund balances	<u>17,326,444</u>	<u>-</u>	<u>97,547</u>	<u>158,597</u>	<u>822,339</u>	<u>300,260</u>	<u>18,705,187</u>
Total liabilities and fund balances	<u>\$ 19,898,935</u>	<u>\$ 518,791</u>	<u>\$ 111,020</u>	<u>\$ 159,564</u>	<u>\$ 822,339</u>	<u>\$ 1,156,250</u>	<u>\$ 22,666,899</u>

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2025

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

Total fund balances—governmental funds (page 14)		\$ 18,705,187
Net pension assets are not current financial resources and, therefore, are not reported in the fund statements.		1,930,018
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$78,952,443 and the accumulated depreciation/amortization is \$38,452,530.		40,499,913
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 2,068,474	
Deferred outflows related to experience, changes of assumptions, assumptions, investment earnings, and changes in proportion	4,213,352	
Deferred inflows of resources related to pension plans	<u>(2,630,638)</u>	3,651,188
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the fund statements.		
Deferred outflows related to employer contributions	\$ 26,630	
Deferred outflows related to experience and changes of assumptions	30,898	
Deferred inflows related to experience and changes of assumptions	<u>(3,261,822)</u>	(3,204,294)
Net accrued interest expense for serial bonds is not reported in the fund statements.		(105,033)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	\$ (21,980,000)	
Premium on serial bonds	(1,800,090)	
Compensated absences	(2,622,630)	
OPEB obligation	(1,594,067)	
Net pension liability	<u>(2,070,331)</u>	<u>(30,067,118)</u>
Net position of governmental activities		<u>\$ 31,409,861</u>

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
Year Ended June 30, 2025

	Special Revenue						Total Governmental Funds
	General	Special Aid	School Lunch	Student Activities	Debt Service	Capital Projects	
REVENUES							
Real property taxes	\$ 14,653,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,653,600
Real property tax items	1,455,355	-	-	-	-	-	1,455,355
Non property tax items	2,128,853	-	-	-	-	-	2,128,853
Charges for services	383,704	23,725	-	-	-	-	407,429
Use of money and property	787,082	-	2,396	2,159	23,959	-	815,596
Sale of property and compensation for loss	69,552	-	-	-	-	1,156,250	1,225,802
Miscellaneous	274,930	-	10,389	-	-	-	285,319
State sources	15,093,485	736,443	389,722	-	-	-	16,219,650
Federal sources	132,071	555,334	395,314	-	-	-	1,082,719
Sales—food service	-	-	70,414	-	-	-	70,414
Student activity collections	-	-	-	118,430	-	-	118,430
Total revenues	<u>34,978,632</u>	<u>1,315,502</u>	<u>868,235</u>	<u>120,589</u>	<u>23,959</u>	<u>1,156,250</u>	<u>38,463,167</u>
EXPENDITURES							
Current:							
General support	3,868,205	-	-	-	-	-	3,868,205
Instruction	18,330,397	1,099,707	-	-	-	-	19,430,104
Pupil transportation	2,803,312	62,558	-	-	-	-	2,865,870
Community services	19,258	-	-	-	-	-	19,258
Employee benefits	6,722,642	216,504	10,068	-	-	-	6,949,214
Debt service:							
Principal	1,800,000	-	-	-	-	-	1,800,000
Interest	928,850	-	-	-	-	-	928,850
Cost of sales	-	-	881,881	-	-	-	881,881
Student activities	-	-	-	120,202	-	-	120,202
Capital outlay	-	-	-	-	-	1,111,445	1,111,445
Total expenditures	<u>34,472,664</u>	<u>1,378,769</u>	<u>891,949</u>	<u>120,202</u>	<u>-</u>	<u>1,111,445</u>	<u>37,975,029</u>
Excess (deficiency) of revenues over expenditures	<u>505,968</u>	<u>(63,267)</u>	<u>(23,714)</u>	<u>387</u>	<u>23,959</u>	<u>44,805</u>	<u>488,138</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	63,267	23,715	-	22,162	264,830	373,974
Transfers out	<u>(360,537)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,437)</u>	<u>(373,974)</u>
Total other financing sources (uses)	<u>(360,537)</u>	<u>63,267</u>	<u>23,715</u>	<u>-</u>	<u>22,162</u>	<u>251,393</u>	<u>-</u>
Net change in fund balances	145,431	-	1	387	46,121	296,198	488,138
Fund balances—beginning	<u>17,181,013</u>	<u>-</u>	<u>97,546</u>	<u>158,210</u>	<u>776,218</u>	<u>4,062</u>	<u>18,217,049</u>
Fund balances—ending	<u>\$ 17,326,444</u>	<u>\$ -</u>	<u>\$ 97,547</u>	<u>\$ 158,597</u>	<u>\$ 822,339</u>	<u>\$ 300,260</u>	<u>\$ 18,705,187</u>

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances—Governmental Funds to the Government-wide Statement of Activities
Year Ended June 30, 2025

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

Net change in fund balances—total governmental funds (page 16) \$ 488,138

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current period.

Capital asset additions	\$ 2,473,104	
Gain on disposals	52,725	
Depreciation/amortization expense	<u>(3,188,092)</u>	(662,263)

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

District pension contributions	\$ 1,904,763	
Employee contributions net of benefits earned	<u>(1,521,065)</u>	383,698

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization. 415,837

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 11,775

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

Repayment of serial bonds	\$ 1,800,000	
Amortization of premium on serial bonds	197,403	
Change in compensated absences	(603,889)	
Change in OPEB obligation	<u>41,615</u>	<u>1,435,129</u>

Change in net position of governmental activities \$ 2,072,314

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position—Private Purpose Trust Fund
June 30, 2025

	<u>Private Purpose Trust</u>
ASSETS	
Restricted cash and cash equivalents	\$ 5,064
Total assets	<u>5,064</u>
NET POSITION	
Restricted for scholarships	<u>5,064</u>
Total net position	<u>\$ 5,064</u>

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

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Changes in Fiduciary Net Position—Private Purpose Trust Fund
Year Ended June 30, 2025

	Private Purpose Trust
ADDITIONS	
Gifts and contributions	\$ 4,745
Investment earnings	214
Total additions	<u>4,959</u>
DEDUCTIONS	
Scholarships and awards	<u>5,745</u>
Total deductions	<u>5,745</u>
Change in fiduciary net position	(786)
Net position—beginning	<u>5,850</u>
Net position—ending	<u>\$ 5,064</u>

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

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EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Notes to the Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of Government-wide Financial Statements

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

Reporting Entity

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

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

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

Extraclassroom Activity Funds—The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management; however, since the District has administrative involvement with these funds they are reported within the District’s Student Activities Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District’s business office.

Joint Venture—The District is one of 27 participating school districts in the Erie No. 2—Chautauqua—Cattaraugus Board of Cooperative Educational Services (“BOCES”). Formed under Section 1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES. All BOCES property is held by the BOCES Board as a corporation under Section 1950(6) of Education Law.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. In addition, BOCES Boards are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of General Municipal Law.

The BOCES budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may also issue debt on behalf of BOCES. As of June 30, 2025 there was no debt issued by the District on behalf of BOCES.

During the year ended June 30, 2025, the District was billed \$3,576,043 for BOCES administrative and program costs and recognized \$146,876 in revenue as a refund from prior years' expenditures paid to BOCES. Audited financial statements are available from the BOCES administrative offices.

Basis of Presentation – Government-wide Financial Statements

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

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

Basis of Presentation – Fund Financial Statements

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

The District reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the District and includes all operations not required to be recorded in other funds. The principal sources of revenues for the General Fund are real property taxes and state sources.
- *Special Aid Fund*—The Special Aid Fund is used to account for special operating projects or programs supported in whole, or in part, with federal and state grants.
- *School Lunch Fund*—The School Lunch Fund is used to account for transactions of the District's food service operations.

- *Student Activities Fund*—The Student Activities fund is used to account for extraclassroom and other transactions, which represents funds of the students of the District or other funds benefitting students. The District exercises administrative involvement with these funds.
- *Debt Service Fund*—The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.
- *Capital Projects Fund*—The Capital Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

Additionally, the District reports the following fund type:

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

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

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

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

Cash, Cash Equivalents and Investments—The District’s cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. New York State law governs the District’s investment policies. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. The District had no investments at June 30, 2025; however, when the District does have investments they are recorded at fair value in accordance with GASB.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represents amounts to support restricted fund balances, unspent proceeds of debt, unearned revenues, and amounts held on behalf of others.

Receivables—Receivables are shown net of an allowance for uncollectible accounts, when applicable. Amounts due from state and federal governments represent amounts owed to the District to reimburse it for expenditures incurred pursuant to state and federally funded programs. No allowance or uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories—Inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Noncurrent Net Pension Asset—The District reported an asset for its proportionate share of the net pension asset for the Teachers’ Retirement System. Refer to Note 6 for additional information related to the District’s net pension asset.

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

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Capitalization Threshold	Estimated Useful Life (Years)
Land improvements	\$ 50,000	15-20
Building and improvements	50,000	20-40
Furniture and equipment	1,000	5-20
Vehicles	14,000	8
Right-to-use lease assets	1,000	5

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

Leases—The District recognizes lease liabilities that are significant individually, or in the aggregate to the financial statements. At the commencement of a lease, the District initially measures the lease liability at the present value of any remaining payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made, as applicable. As of June 30, 2025, all lease payments were made before commencement of the respective leases. Accordingly, there are no remaining payments expected and the District reports no lease liability at June 30, 2025.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At June 30, 2025, the District reported \$10,008 and \$13,402 of unearned revenues in the General Fund and School Lunch Fund, respectively. The District received advance payments towards their driver’s education program, school lunch accounts and healthcare worker bonus grant, but has not yet spent the money and therefore recognizes a liability.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2025, the District has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide

financial statements. This represents the effect of the net change in the District's proportion of the collective net pension liability, and the difference during the measurement period between the District's contributions, its proportionate share of total contributions to the pension systems not included in pension expense, and any contributions to the pension systems subsequent to the measurement date. The second item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the District's proportion of the collective total OPEB liability and difference during the measurement period between certain employer contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At June 30, 2025, the District has two items that qualify for reporting in this category. The first item represents the effect of the net change in the District's proportion of the collective net pension liability and the difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide statements. The second item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the District's proportion of the collective total OPEB liability and difference during the measurement period between certain employer contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability.

Net Position Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

Revenues and Expenses/Expenditures

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

Property Taxes—Real property taxes are levied annually as of July 1st by the Board of Education and attached as an enforceable lien. Uncollected real property taxes are subsequently enforced by the County of Erie. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than April 1st.

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

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

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

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, liabilities, deferred outflows/inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements during the reported period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*; and No. 102, *Certain Risk Disclosures*. GASB Statement No. 101 improves financial reporting by addressing issues related to the recognition and measurement for compensated absences. GASB Statements No. 102 improves financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The implementation of GASB Statements No. 101 and 102 did not have a material impact on the District’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The District has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the fiscal year ending June 30, 2026. The District is, therefore, unable to disclose the impact that adopting GASB Statements No. 103 and 104 will have on its financial position and results of operations when such statements are adopted.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York. Cash and cash equivalents at June 30, 2025 are shown below:

	Governmental Funds	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 400	\$ -	\$ 400
Deposits	<u>17,610,931</u>	<u>5,064</u>	<u>17,615,995</u>
Total	<u>\$ 17,611,331</u>	<u>\$ 5,064</u>	<u>\$ 17,616,395</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at June 30, 2025 as shown below:

	Bank Balance	Carrying Amount
FDIC insured	\$ 11,319,766	\$ 11,319,766
Uninsured:		
Collateral held by pledging bank's agent in the District's name	<u>7,203,165</u>	<u>6,296,229</u>
Total	<u>\$ 18,522,931</u>	<u>\$ 17,615,995</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. At June 30, 2025, the District’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the District’s name.

Restricted Cash and Cash Equivalents—The District reports amounts to support restricted fund balances, unspent proceeds of debt, unearned revenues, and amounts held on behalf of others as restricted cash and cash equivalents. At June 30, 2025, the District reported \$13,099,529 of restricted cash within its governmental funds and \$5,064 within its fiduciary funds.

Investments—The District reported no investments at June 30, 2025.

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

3. RECEIVABLES

Revenues accrued by the District at June 30, 2025 consisted of the following:

Receivables—The District reported a balance of \$258,170 and \$1,156,250 for receivables in the General Fund and Capital Projects Fund, respectively. The receivables consist primarily of voluntary education contributions and insurance recovery proceeds.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State and other local governments. Intergovernmental receivables at June 30, 2025 are shown below:

General Fund:			
New York State - Excess Cost Aid		\$ 686,184	
New York State - BOCES Aid		745,225	
Springville Central School District		126,740	
North Collins Central School District		106,270	
Orchard Park Central School District		<u>128,041</u>	\$ 1,792,460
Special Aid Fund:			
New York State - Summer Handicap Programs		374,069	
New York State - Universal Pre-K		63,597	
Federal - various programs		<u>81,125</u>	518,791
School Lunch Fund:			
Child Nutrition Programs			<u>60,463</u>
Total governmental funds			<u>\$ 2,371,714</u>

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital assets, not being depreciated/amortized:				
Land	\$ 142,997	\$ -	\$ -	\$ 142,997
Construction in progress	-	1,111,445	100,000	1,011,445
Total capital assets, not being depreciated/amortized	<u>142,997</u>	<u>1,111,445</u>	<u>100,000</u>	<u>1,154,442</u>
Capital assets, being depreciated/amortized:				
Land improvements	8,566,933	29,251	-	8,596,184
Buildings and improvements	56,448,200	319,473	-	56,767,673
Furniture and equipment	7,005,532	123,205	35,018	7,093,719
Vehicles	3,733,988	989,730	178,819	4,544,899
Right-to-use lease assets	817,499	-	21,973	795,526
Total capital assets, being depreciated/amortized	<u>76,572,152</u>	<u>1,461,659</u>	<u>235,810</u>	<u>77,798,001</u>
Accumulated depreciation/amortization for:				
Land improvements	4,838,799	325,957	-	5,164,756
Buildings and improvements	22,988,146	1,976,573	-	24,964,719
Furniture and equipment	5,502,227	213,677	35,018	5,680,886
Vehicles	1,968,360	526,379	178,819	2,315,920
Right-to-use lease assets	255,441	145,506	74,698	326,249
Total accumulated depreciation/amortization	<u>35,552,973</u>	<u>3,188,092</u>	<u>288,535</u>	<u>38,452,530</u>
Total capital assets being depreciated/ amortized, net	<u>41,019,179</u>	<u>(1,726,433)</u>	<u>(52,725)</u>	<u>39,345,471</u>
Governmental activities capital assets, net	<u>\$ 41,162,176</u>	<u>\$ (614,988)</u>	<u>\$ 47,275</u>	<u>\$ 40,499,913</u>

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

General support	\$ 232,670
Instruction	2,430,217
Pupil transportation	518,555
School food service	6,650
Total	<u>\$ 3,188,092</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2025, were as follows:

	General Fund
Salaries and employee benefits	<u>\$ 689,785</u>

6. PENSION PLANS

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

Plan Descriptions and Benefits Provided

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

Employees' Retirement System—ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. ERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2025, the District reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of June 30, 2024 for TRS and March 31, 2025 for ERS. The total pension liability/(asset) used to calculate the net pension liability/(asset) was

determined by actuarial valuations as of June 30, 2023 and April 1, 2024, respectively, with update procedures used to roll forward the total pension liability/(asset) to the measurement dates. The District's proportion of the net pension liability/(asset) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2024	March 31, 2025
Net pension liability/(asset)	\$ (1,930,018)	\$ 2,070,331
District's portion of the Plan's total net pension liability/(asset)	0.064687%	0.0120749%

For the year ended June 30, 2025, the District recognized pension expenses of \$1,048,181 and \$553,496 for TRS and ERS, respectively. At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Difference between expected and actual experiences	\$ 2,078,275	\$ 513,870	\$ -	\$ 24,240
Changes of assumptions	1,154,542	86,826	194,205	-
Net difference between projected and actual earnings on pension plan investments	-	162,432	2,144,415	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	8,298	209,109	146,738	121,040
District contributions subsequent to the measurement date	1,369,179	699,295	-	-
Total	<u>\$ 4,610,294</u>	<u>\$ 1,671,532</u>	<u>\$ 2,485,358</u>	<u>\$ 145,280</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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 Ending June 30,</u>	<u>TRS</u>	<u>ERS</u>
2026	\$ (1,027,705)	\$ 422,221
2027	2,335,975	570,258
2028	(416,286)	(161,569)
2029	(458,321)	(3,953)
2030	232,683	-
Thereafter	89,411	-

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

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2025
Actuarial valuation date	June 30, 2023	April 1, 2024
Interest rate	6.95%	5.90%
Salary scale	1.95%-5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2020
Inflation rates	2.40%	2.90%
Cost-of-living adjustments	1.30%	1.50%

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

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

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

	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2024	March 31, 2025
Measurement date				
Asset class:				
Domestic equities	33.0 %	25.0 %	6.6 %	3.5 %
International equities	15.0	14.0	7.4	6.6
Global equities	4.0	0.0	6.9	0.0
Private equity	9.0	15.0	10.0	7.3
Real estate	11.0	12.0	6.3	5.0
Opportunistic portfolio/Absolute return strategy	0.0	3.0	0.0	5.3
Credit	0.0	4.0	0.0	5.4
Domestic fixed income securities	16.0	0.0	2.6	0.0
Global bonds	2.0	0.0	2.5	0.0
High-yield bonds	1.0	0.0	4.8	0.0
Private debt	2.0	0.0	5.9	0.0
Real assets	0.0	4.0	0.0	5.6
Real estate debt	6.0	0.0	3.9	0.0
Fixed income	0.0	22.0	0.0	2.0
Cash	1.0	1.0	0.5	0.3
Total	<u>100.0 %</u>	<u>100.0 %</u>		

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

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension liability/(asset)	\$ 8,914,865	\$ (1,930,018)	\$ (11,050,856)
ERS			
Employer's proportionate share of the net pension liability/(asset)	\$ 5,991,799	\$ 2,070,331	\$ (1,204,097)

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

	(Dollar in Thousands)	
	TRS	ERS
Valuation date	June 30, 2023	April 1, 2024
Employers' total pension liability	\$ 142,837,827	\$ 247,600,239
Plan fiduciary net position	145,821,435	230,454,512
Employers' net pension liability/(asset)	<u>\$ (2,983,608)</u>	<u>\$ 17,145,727</u>
System fiduciary net position as a percentage of total pension liability	102.1%	93.1%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer’s contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$1,401,278.

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$271,916.

7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—In addition to pension benefits, the District provides postemployment (medical) coverage for current retirees with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District’s contractual agreements. The estimated cost of such benefits totaled \$106,519 for the year ended June 30, 2025.

Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various contracts, which were ratified by the District’s Board of Education. For certain retirees, the District pays a portion of the cost of the employee’s current coverage at the time of retirement until an employee reaches the age of 64. At age 65, retirees are required to elect post-65 coverage in the current plan and apply Medicare part B coverage. Retired employees are assumed to continue coverage currently elected.

Employees Covered by Benefit Terms—At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	23
Active employees	<u>193</u>
Total	<u><u>216</u></u>

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

Total OPEB Liability

The District’s total OPEB liability of \$1,594,067 was measured as of June 30, 2025, and was determined by an actuarial valuation dated July 31, 2024.

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

In the July 31, 2024 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 3.98% to 4.39% effective June 30, 2025. The salary scale changed from 3.42% to 3.30% effective June 30, 2025. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 5.30%, while the ultimate healthcare cost trend rate is 3.71%. Mortality rates were updated to Pub-2010 Public Retirement Plans Mortality Tables, headcount-weighted, distinct for teachers, general, and safety, without separate contingent survivor mortality, fully generational using scale MP-2021.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2024 through April 1, 2025.

	<u>Total OPEB Liability</u>
Balance at June 30, 2024	\$ 1,635,682
Changes for the year:	
Service cost	35,233
Interest	62,263
Differences between expected and actual experience	11,368
Changes of assumptions	(43,960)
Benefit payments	<u>(106,519)</u>
Net changes	<u>(41,615)</u>
Balance at June 30, 2025	<u>\$ 1,594,067</u>

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

	1% Decrease (3.39%)	Current Discount Rate (4.39%)	1% Increase (5.39%)
Total OPEB liability	\$ 1,712,907	\$ 1,594,067	\$ 1,487,488

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1.0% change in the initial (5.30%)/ ultimate (3.71%) healthcare cost trend rates.

	1% Decrease (4.30%/2.71%)	Healthcare Cost Trend Rates (5.30%/3.71%)	1% Decrease (6.30%/4.71%)
Total OPEB liability	\$ 1,453,761	\$ 1,594,067	\$ 1,755,069

Funding Policy—Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various union contracts, which were ratified by the District’s Board of Education. The District recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. District governmental funds contributed \$106,519 for the fiscal year ended June 30, 2025. The District’s contributions to the OPEB plan are based on negotiated contracts with four bargaining units, as discussed in Note 12. Any amendments to the employer’s contributions are subject to the various contracts.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The District reports deferred outflows and inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total contributions from employers included in the collective total OPEB liability are required to be determined. The table on the following page presents the District’s deferred outflows and inflows of resources at June 30, 2025.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,898	\$ 942,418
Changes of assumptions	-	2,319,404
Contributions subsequent to the measurement date	26,630	-
Total	<u>\$ 57,528</u>	<u>\$ 3,261,822</u>

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

<u>Year Ending June 30,</u>	
2026	\$ (497,021)
2027	(505,005)
2028	(505,888)
2029	(505,888)
2030	(505,888)
Thereafter	(711,234)

8. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; vehicle liability; injuries to employees; and natural disasters. The District purchases commercial insurances to cover such potential risks. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded insurance coverage in the past three fiscal years. The general liability, school board legal liability and automobile liability insurance is limited to \$11 million; a primary liability of \$1 million with a \$10 million umbrella. There is a \$2,500 deductible applicable to school board legal liability claims. The property insurance limit is about \$125 million and claims are subject to a \$5,000 deductible.

The District participates in Erie No. 2 Area Schools Self-Funded Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The Erie No. 2 Area Schools Self-Funded Workers' Compensation Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$650,000 per event. The Consortium maintains independent coverage for events in excess of \$650,000. The District has essentially transferred all related risk to the Plan.

9. LONG-TERM LIABILITIES

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

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

The District's outstanding long-term liabilities include serial bonds, premium on serial bonds, compensated absences, OPEB obligation, and net pension liability. The bonds payable of the District are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the District's long-term liabilities at June 30, 2025 is presented below:

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Serial bonds	\$ 23,780,000	\$ -	\$ 1,800,000	\$ 21,980,000	\$ 1,860,000
Premium on serial bonds	1,997,493	-	197,403	1,800,090	197,403
Compensated absences*	2,018,741	603,889	-	2,622,630	131,132
OPEB obligation	1,635,682	97,496	139,111	1,594,067	-
Net pension liability*	2,675,371	-	605,040	2,070,331	-
Total	<u>\$ 32,107,287</u>	<u>\$ 701,385</u>	<u>\$ 2,741,554</u>	<u>\$ 30,067,118</u>	<u>\$ 2,188,535</u>

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

Serial Bonds—The District issues general obligation bonds to provide funds for the acquisition, construction and renovations of major capital facilities. Serial bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 14 to 16 years.

In the event of a default in the payment of the principal of or interest on the serial 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.

The District does not hold any lines of credit.

A summary of additions and payments for the year ended June 30, 2025 is presented below:

Description	Year of Issue/ Maturity	Interest Rate (%)	Balance			Balance 6/30/2025
			7/1/2024	Additions	Reductions	
2019 Serial bond	2019/2033	3.00-5.00	\$ 12,380,000	\$ -	\$ 1,155,000	\$ 11,225,000
2022 Serial bond	2022/2039	4.00	11,400,000	-	645,000	10,755,000
Total			<u>\$ 23,780,000</u>	<u>\$ -</u>	<u>\$ 1,800,000</u>	<u>\$ 21,980,000</u>

Premium on Serial Bonds—The District issued serial bonds and refunding bonds which received bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. Total unamortized premium as of June 30, 2025 was \$1,800,090.

Compensated Absences—As explained in Note 1, the District records the value of compensated absences in the government-wide financial statements. The annual budgets of the operating funds provide funding for these benefits as they become due. The liability for compensated absences consists of unpaid accumulated annual sick and vacation time. The value recorded in the government-wide financial statements at June 30, 2025 for governmental activities is \$2,622,630. Management estimates that \$131,132 is due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable.

OPEB Obligation—As explained in Note 7, the District provides health insurance coverage for certain retirees. The District’s annual postemployment benefit (“OPEB”) cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. The long-term OPEB obligation is estimated to be \$1,594,067 at June 30, 2025.

Net Pension Liability—The District reported a liability, totaling \$2,070,331, for its proportionate share of the net pension liability for the Employees’ Retirement System. Refer to Note 6 for additional information related to the District’s net pension liability.

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

Year Ending June 30,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	OPEB Obligation	Net Pension Liability	Total
2026	\$ 1,860,000	\$ 197,403	\$ 131,132	\$ -	\$ -	\$ 2,188,535
2027	1,945,000	197,403	-	-	-	2,142,403
2028	2,025,000	197,403	-	-	-	2,222,403
2029	2,105,000	197,403	-	-	-	2,302,403
2030	2,180,000	197,403	-	-	-	2,377,403
2031-2035	8,760,000	658,156	-	-	-	9,418,156
2036-2039	3,105,000	154,919	-	-	-	3,259,919
Thereafter	-	-	2,491,498	1,594,067	2,070,331	6,155,896
Totals	<u>\$ 21,980,000</u>	<u>\$ 1,800,090</u>	<u>\$ 2,622,630</u>	<u>\$ 1,594,067</u>	<u>\$ 2,070,331</u>	<u>\$ 30,067,118</u>

Interest requirements on serial bonds are as follows:

Year Ending June 30,	Interest
2026	\$ 845,300
2027	758,750
2028	680,950
2029	599,950
2030	515,750
2031-2035	1,407,800
2036-2039	278,600
Total	<u>\$ 5,087,100</u>

10. NET POSITION AND FUND BALANCE

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

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the District at June 30, 2025 includes:

- ***Inventories***—Representing the portion of fund balance, \$6,462 composed of inventory. This balance is nonspendable as the inventory does not represent an available resource.
- ***Prepaid Items***—Represents amounts prepaid to vendors of \$315,141 within the General Fund that are applicable to future accounting periods.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grants, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balances maintained by the District at June 30, 2025 are shown on the following page.

	General Fund	Student Activities Fund	Debt Service Fund	Capital Projects Fund	Total
Unemployment insurance	\$ 157,225	\$ -	\$ -	\$ -	\$ 157,225
Retirement contribution	2,558,816	-	-	-	2,558,816
Tax certiorari	46,758	-	-	-	46,758
Employee benefits	1,445,900	-	-	-	1,445,900
Repairs	186,422	-	-	-	186,422
Workers' compensation	323,545	-	-	-	323,545
Liability claims	599,826	-	-	-	599,826
Debt service	-	-	822,339	-	822,339
Capital projects	6,775,724	-	-	300,260	7,075,984
Student activities	-	158,597	-	-	158,597
Total	\$ 12,094,216	\$ 158,597	\$ 822,339	\$ 300,260	\$ 13,375,412

- Unemployment Insurance**—According to General Municipal Law Section 6-m, this restriction must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The restriction may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year’s budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.
- Retirement Contribution**—According to General Municipal Law Section 6-r, this restriction must be used to pay “retirement contributions,” which are defined as all or any portion of the amount payable to the ERS (\$1,852,788), pursuant to Sections 17 or 317 of the NYSSRL, and to the TRS (\$706,028), pursuant to the newly amended Section 6-r. The restriction may be established by Board resolution; there are no referendum requirements to create the funds or expend money from the funds. The Board may authorize the transfer of the moneys to a reserve fund established pursuant to Sections 6c-g of the GML or Section 3651 of Education Law.
- Tax Certiorari**—According to Education Law Section 3651.1-a, this restriction must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the restriction shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeds in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.
- Employee Benefits**—According to General Municipal Law Section 6-p, this restriction must be used for the payment of accrued employee benefit due an employee upon termination of the employee’s service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

- **Repairs**—According to General Municipal Law Section 6-d, this restriction must be used to pay the cost of repairs to capital improvements or equipment, which repairs are a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this restriction may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.
- **Workers' Compensation**—According to General Municipal Law Section 6-j, this restriction must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds may be legally appropriated. Within sixty days after the end of the fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.
- **Liability Claims**—According to Education Law Sections 1709[8-c] and 1950[4][cc], this restriction must be used to establish and maintain a program of reserves to cover property loss or liability claims. The creation of a property loss reserve requires resolution of the governing board; there are no referendum requirements to create the funds or expend money from the funds.
- **Debt Service**—According to General Municipal Law Section 6-l, the mandatory reserve for debt service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The reserve may be funded by proceeds of the sale of District property or capital improvement, as well as unspent proceeds of debt and amounts restricted by Board resolution for debt service payments.
- **Capital Projects**—According to Education Law Section 3651, this restriction must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the restriction only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of the Education Law.
- **Student Activities**—Amounts generated by the Extraclassroom Activities of the District and other programs benefitting students, which are restricted for use only within the Student Activities Fund for specific student activities.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority. As of June 30, 2025, the District reported no committed fund balances.

In the fund financial statements, assignments are not legally required segregations, but are segregated for a specific purpose by the District at June 30, 2025 and include:

	General Fund	School Lunch Fund	Total
Subsequent year's expenditures	\$ 3,065,555	\$ -	\$ 3,065,555
Encumbrances	248,461	-	248,461
Specific use	-	91,085	91,085
Total	<u>\$ 3,314,016</u>	<u>\$ 91,085</u>	<u>\$ 3,405,101</u>

- **Assigned to Subsequent Year's Expenditures**—Representing available fund balance being appropriated to meet expenditure requirements in the 2025-2026 fiscal year.
- **Assigned to Encumbrances**—Represents amounts related to unperformed (executory) contracts for goods and services.
- **Assigned to Specific Use**—Representing fund balance within special revenue funds that is assigned for a specific purpose. The assignments' purpose relates to each fund's operations and represent remaining amounts within the special revenue fund used to maintain school lunch operations.

If the District must use funds for emergency expenditures the Board of Education shall authorize the Director of Finance to expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the District will use unassigned fund balance.

11. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of June 30, 2025 is shown below:

Fund	Interfund	
	Receivable	Payable
Governmental Funds:		
General Fund	\$ 947,831	\$ -
Special Aid Fund	-	518,791
Capital Projects Fund	-	429,040
Total governmental funds	<u>\$ 947,831</u>	<u>\$ 947,831</u>

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

The District made the following transfers during the year ended June 30, 2025:

Fund	Transfers in:				Total
	School Lunch Fund	Special Aid Fund	Capital Projects Fund	Debt Service Fund	
Transfers out:					
General Fund	\$ 23,715	\$ 63,267	\$ 100,000	\$ 8,725	\$ 195,707
Capital Projects Fund	-	-	-	13,437	13,437
Total	\$ 23,715	\$ 63,267	\$ 100,000	\$ 22,162	\$ 209,144

Transfers are used primarily to finance certain school lunch programs, special aid programs and capital projects of the District and to move unspent capital projects funds.

12. LABOR CONTRACTS

District employees are represented by four bargaining units, with the balance governed by Board of Education rules and regulations. The Eden Teachers Association contract is in place through June 30, 2025 and the Eden Administrative-Supervisory Association, the Eden Supervisory Staff Organization and the Civil Service Employees Association contracts are in place through June 30, 2026.

13. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations. The District considers encumbrances significant if they are in excess of \$10,000. As of June 30, 2025, the significant encumbrances are shown below:

Fund	Description	Amount Encumbered
General Fund	Professional services	\$ 146,408
General Fund	Equipment	30,244
General Fund	Other services	20,441
General Fund	Repairs and Maintenance	14,825

14. TAX ABATEMENTS

The District is subject to tax abatements granted by the Erie County Industrial Development Agency (“ECIDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the ECIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. As of June 30, 2025, the District does not report any tax abatement agreements.

15. CONTINGENCIES

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

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

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

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 2, 2025 which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportionation of the net pension liability (asset)	0.064687%	0.062923%	0.061944%	0.061332%	0.060254%	0.060593%	0.059649%	0.062157%	0.062768%	0.063569%
District's proportionate share of the net pension liability (asset)	<u>\$ (1,930,018)</u>	<u>\$ 719,577</u>	<u>\$ 1,188,637</u>	<u>\$ (10,628,282)</u>	<u>\$ 1,664,967</u>	<u>\$ (1,574,203)</u>	<u>\$ (1,078,606)</u>	<u>\$ (472,458)</u>	<u>\$ 672,274</u>	<u>\$ (6,602,805)</u>
District's covered payroll	\$ 12,761,544	\$ 12,688,161	\$ 11,238,731	\$ 10,491,280	\$ 10,491,280	\$ 10,307,062	\$ 9,858,931	\$ 9,955,988	\$ 9,850,538	\$ 9,624,112
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(15.1%)	5.7%	10.6%	(101.3%)	15.9%	(15.3%)	(10.9%)	(4.75%)	6.82%	(68.61%)
Plan fiduciary net position as a percentage of the total pension liability	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

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

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,205,468	\$ 1,195,834	\$ 1,188,637	\$ 1,135,778	\$ 870,920	\$ 906,148	\$ 1,074,097	\$ 1,154,407	\$ 1,284,332	\$ 1,673,930
Contribution in relation to the contractually required contribution	<u>(1,205,468)</u>	<u>(1,195,834)</u>	<u>(1,188,637)</u>	<u>(1,135,778)</u>	<u>(870,920)</u>	<u>(906,148)</u>	<u>(1,074,097)</u>	<u>(1,154,407)</u>	<u>(1,284,332)</u>	<u>(1,673,930)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 12,743,198	\$ 12,237,432	\$ 12,688,161	\$ 11,238,731	\$ 10,562,269	\$ 10,491,280	\$ 10,307,062	\$ 9,858,931	\$ 9,955,988	\$ 9,850,538
Contributions as a percentage of covered payroll	9.5%	9.8%	9.4%	10.1%	8.2%	8.6%	10.4%	11.7%	12.9%	17.0%

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

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
District's proportion of the net pension liability (asset)	0.0120749%	0.0132830%	0.0114365%	0.0096575%	0.0093290%	0.0088642%	0.0091763%	0.0100904%	0.0097829%	0.010073%
District's proportionate share of the net pension liability (asset)	<u>\$ 2,070,331</u>	<u>\$ 1,955,794</u>	<u>\$ 2,452,439</u>	<u>\$ (789,462)</u>	<u>\$ 9,289</u>	<u>\$ 2,347,297</u>	<u>\$ 650,167</u>	<u>\$ 325,662</u>	<u>\$ 919,221</u>	<u>\$ 1,616,858</u>
District's covered payroll	\$ 4,924,358	\$ 4,007,388	\$ 4,459,834	\$ 3,862,804	\$ 3,514,773	\$ 3,506,545	\$ 3,223,829	\$ 3,202,335	\$ 3,358,367	\$ 3,103,310
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	42.0%	48.8%	55.0%	(20.4%)	0.3%	66.9%	20.2%	10.2%	27.4%	52.1%
Plan fiduciary net position as a percentage of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%

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

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 699,295	\$ 595,713	\$ 430,030	\$ 545,152	\$ 501,714	\$ 464,327	\$ 475,949	\$ 512,628	\$ 490,061	\$ 527,533
Contribution in relation to the contractually required contribution	<u>(699,295)</u>	<u>(595,713)</u>	<u>(430,030)</u>	<u>(545,152)</u>	<u>(501,714)</u>	<u>(464,327)</u>	<u>(475,949)</u>	<u>(512,628)</u>	<u>(490,061)</u>	<u>(527,533)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	4,967,656	4,823,965	4,390,085	4,043,792	3,550,943	3,502,153	3,617,767	\$ 3,207,603	\$ 3,254,911	\$ 3,143,628
Contributions as a percentage of covered payroll	14.1%	12.3%	9.8%	13.5%	14.1%	13.3%	13.2%	16.0%	15.1%	16.8%

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Nine Fiscal Years*

	Year Ended June 30,								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	\$ 35,233	\$ 160,923	\$ 213,278	\$ 219,230	\$ 199,935	\$ 102,099	\$ 74,843	\$ 74,353	\$ 72,699
Interest	62,263	174,757	160,577	123,736	152,051	131,402	102,105	101,375	85,129
Differences between expected and actual experience	11,368	(365,302)	(1,015,250)	404,083	(919,929)	1,935,248	929,936	87,187	191,351
Changes of assumptions	(43,960)	(2,796,982)	(177,239)	(282,612)	96,207	325,192	65,536	52,843	(101,798)
Benefit payments	<u>(106,519)</u>	<u>(179,917)</u>	<u>(235,301)</u>	<u>(227,723)</u>	<u>(280,520)</u>	<u>(208,234)</u>	<u>(155,625)</u>	<u>(122,419)</u>	<u>(102,958)</u>
Net changes in total OPEB liability	(41,615)	(3,006,521)	(1,053,935)	236,714	(752,256)	2,285,707	1,016,795	193,339	144,423
Total OPEB liability—beginning	<u>1,635,682</u>	<u>4,642,203</u>	<u>5,696,138</u>	<u>5,459,424</u>	<u>6,211,680</u>	<u>3,925,973</u>	<u>2,909,178</u>	<u>2,715,839</u>	<u>2,571,416</u>
Total OPEB liability—ending	<u>\$ 1,594,067</u>	<u>\$ 1,635,682</u>	<u>\$ 4,642,203</u>	<u>\$ 5,696,138</u>	<u>\$ 5,459,424</u>	<u>\$ 6,211,680</u>	<u>\$ 3,925,973</u>	<u>\$ 2,909,178</u>	<u>\$ 2,715,839</u>
Plan fiduciary net position									
Contributions—employer	\$ 106,519	\$ 179,917	\$ 227,723	\$ 227,723	\$ 280,520	\$ 208,234	\$ 155,625	\$ 122,419	\$ 102,958
Benefit payments	<u>(106,519)</u>	<u>(179,917)</u>	<u>(227,723)</u>	<u>(227,723)</u>	<u>(280,520)</u>	<u>(208,234)</u>	<u>(155,625)</u>	<u>(122,419)</u>	<u>(102,958)</u>
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability—ending	<u>\$ 1,594,067</u>	<u>\$ 1,635,682</u>	<u>\$ 4,642,203</u>	<u>\$ 5,696,138</u>	<u>\$ 5,459,424</u>	<u>\$ 6,211,680</u>	<u>\$ 3,925,973</u>	<u>\$ 2,909,178</u>	<u>\$ 2,715,839</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 12,484,761	\$ 12,484,761	\$ 12,484,761	\$ 11,909,153	\$ 11,513,102	\$ 11,019,867	\$ 10,676,097	\$ 10,334,040	\$ 10,334,040
District's net OPEB liability as a percentage of covered-employee payroll	13.1%	13.1%	47.8%	47.8%	47.4%	56.4%	36.8%	28.2%	26.3%

*Information prior to the year ended June 30, 2017 is not available.

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

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EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Real property taxes	\$ 14,647,120	\$ 14,647,120	\$ 14,653,600	\$ 6,480
Real property tax items	1,476,049	1,476,049	1,455,355	(20,694)
Non property tax items	1,909,620	1,909,620	2,128,853	219,233
Charges for services	305,041	305,041	383,704	78,663
Use of money and property	184,700	184,700	787,082	602,382
Sale of property and compensation for loss	1,800	1,800	69,552	67,752
Miscellaneous	164,811	164,811	274,930	110,119
State sources:				
Basic formula - general aid	11,787,835	11,787,835	9,636,900	(2,150,935)
Basic formula - excess cost aid	1,082,473	1,082,473	1,911,206	828,733
Lottery aid	-	-	2,022,069	2,022,069
Commercial gaming aid	-	-	50,245	50,245
BOCES aid	1,330,333	1,330,333	1,348,187	17,854
Textbook aid	78,056	78,056	77,240	(816)
Computer software/hardware	37,813	37,813	38,695	882
Library loan program	7,275	7,275	7,943	668
Homeless aid	-	-	1,000	1,000
Federal sources:				
Medicaid assistance	<u>100,000</u>	<u>100,000</u>	<u>132,071</u>	<u>32,071</u>
Total revenues	<u>33,112,926</u>	<u>33,112,926</u>	<u>34,978,632</u>	<u>1,865,706</u>
OTHER FINANCING SOURCES				
Transfers in	329,136	329,136	-	(329,136)
Appropriated reserves	<u>1,142,345</u>	<u>1,142,345</u>	<u>-</u>	<u>(1,142,345)</u>
Total other financing sources	<u>1,471,481</u>	<u>1,471,481</u>	<u>-</u>	<u>(1,471,481)</u>
Total revenues and other financing sources	<u>\$ 34,584,407</u>	<u>\$ 34,584,407</u>	<u>\$ 34,978,632</u>	<u>\$ 394,225</u>

(continued)

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2025

(concluded)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Encumbrances</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>			
EXPENDITURES					
General support:					
Board of Education	\$ 33,476	\$ 28,875	\$ 22,623	\$ -	\$ 6,252
Central administration	309,277	307,336	314,263	-	(6,927)
Finance	503,812	503,345	444,739	21,801	36,805
Staff	159,100	213,417	189,693	-	23,724
Central services	2,874,585	2,874,881	2,353,608	179,027	342,246
Special items	565,503	571,683	543,279	-	28,404
Instruction:					
Instruction, administration and improvement	1,479,649	1,487,758	1,342,532	9,645	135,581
Teaching—regular school	9,209,160	9,211,614	8,838,635	1,345	371,634
Programs for students with disabilities	5,831,828	5,830,656	4,679,591	3,500	1,147,565
Occupational education	781,550	781,549	692,252	-	89,297
Teaching—special schools	38,940	25,428	17,230	-	8,198
Instructional media	872,128	1,148,068	854,740	30,493	262,835
Pupil services	2,096,988	2,127,112	1,905,417	-	221,695
Pupil transportation	3,396,844	4,016,559	2,803,312	-	1,213,247
Community services	27,116	27,116	19,258	-	7,858
Employee benefits	7,829,285	7,703,843	6,722,642	2,650	978,551
Debt service:					
Principal	1,800,000	1,800,000	1,800,000	-	-
Interest	928,850	928,850	928,850	-	-
Total expenditures/encumbrances	<u>38,738,091</u>	<u>39,588,090</u>	<u>34,472,664</u>	<u>248,461</u>	<u>4,866,965</u>
OTHER FINANCING USES					
Transfers out	<u>165,570</u>	<u>204,295</u>	<u>360,537</u>	<u>-</u>	<u>(156,242)</u>
Total expenditures/encumbrances and other financing uses	<u>38,903,661</u>	<u>39,792,385</u>	<u>34,833,201</u>	<u>248,461</u>	<u>4,710,723</u>
Net change in fund balances*	(4,319,254)	(5,207,978)	145,431		
Fund balance—beginning	<u>17,181,013</u>	<u>17,181,013</u>	<u>17,181,013</u>		
Fund balance—ending	<u>\$ 12,861,759</u>	<u>\$ 11,973,035</u>	<u>\$ 17,326,444</u>		

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

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

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EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Notes to the Required Supplementary Information
Year Ended June 30, 2025

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond rate, the mortality rate, and the healthcare cost trend rate. The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date, which increased from 3.98% to 4.39% at June 30, 2025. The salary scale changed from 3.42% to 3.30% effective June 30, 2025. Mortality rates were updated to Pub-2010 Public Retirement Plans Mortality Tables, headcount-weighted, distinct for teachers, general, and safety, without separate contingent survivor mortality, fully generational using scale MP-2021. Finally, the healthcare cost trend rate was updated to 5.30%, while the ultimate healthcare cost trend rate is 3.71%.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. No formal annual budget is adopted for the Debt Service, Special Aid, School Lunch, and Student Activities Funds. Appropriation limits, where applicable, for the Special Aid Fund and Debt Service Fund are maintained based on debt schedules, individual grants and donations or fundraising revenues accepted by the Board of Education. The periods of such grants may vary from the District's fiscal year. No budget is adopted for the Student Activities Fund as the extracurricular activities of the District are maintained by the individual clubs. A budget is maintained for the School Lunch Fund as a management tool for internal control purposes.

The appropriated budget is prepared by fund, function, and department. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations exceeding \$10,000 between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

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

Excess of Expenditures over Appropriations—The District's General Fund incurred expenditures for the year ended June 30, 2025 which exceeded the final budgeted appropriations as follows:

- General Fund—Central Administration—The negative variance is primarily due to larger than expected salary costs.

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SUPPLEMENTARY INFORMATION

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit—General Fund
Year Ended June 30, 2025

Change from Adopted Budget to Final Budget

Adopted budget 2024-2025		\$ 37,722,985
Add: Prior year's encumbrances		1,180,676
Original budget		38,903,661
Budget revisions: Voter approved purchase of buses and equipment		888,724
Final budget 2024-2025		\$ 39,792,385

Section 1318 of Real Property Tax Law Limit Calculation

2025-2026 voter approved expenditure budget	\$ 40,076,769	
Maximum allowed (4% of 2025-2026 budget)		\$ 1,603,071
General Fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	\$ 3,314,016	
Unassigned fund balance	1,603,071	
Total unrestricted fund balance		4,917,087
Less:		
Appropriated fund balance	\$ 3,065,555	
Encumbrances included in assigned fund balance	248,461	
Total adjustments		3,314,016
General Fund fund balance subject to Section 1318 of Real Property Tax Law		\$ 1,603,071
Actual percentage		4.00%

* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", updated April 2011 (originally issued November 2010), the portion of General Fund fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Capital Project Expenditures
Year Ended June 30, 2025

<u>Project Title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures to Date</u>		<u>Total Project Expenditures</u>	<u>Unexpended Balance</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Smart School Bond	\$ 265,086	\$ 560,016	\$ 486,006	\$ -	\$ 486,006	\$ 74,010
Capital Project 2024	19,300,000	19,300,000	9,375	846,615	855,990	18,444,010
Capital Outlay 2024-25	100,000	100,000	-	264,830	264,830	(164,830)
Totals	<u>\$ 19,665,086</u>	<u>\$ 19,960,016</u>	<u>\$ 495,381</u>	<u>\$ 1,111,445</u>	<u>\$ 1,606,826</u>	<u>\$ 18,353,190</u>

EDEN CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
June 30, 2025

Capital assets, net of accumulated depreciation/amortization	\$ 40,499,913
Add:	
Unspent debt proceeds	689,343
Deduct:	
Serial bonds	\$ (21,980,000)
Unamortized premium on bonds payable	(1,800,090)
Capital projects accounts payable	<u>(426,950)</u> <u>(24,207,040)</u>
Net investment in capital assets	<u>\$ 16,982,216</u>

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

The Board of Education
Eden Central School District, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eden Central School District, New York (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 2, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Brecher & Malecki LLC

October 2, 2025

APPENDIX C

FORM OF DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Eden Central School District Erie County, New York (the “Issuer”) in connection with the issuance of its \$3,531,000 Bond Anticipation Note(s), 2026 or interests therein (such Note(s), including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Bond (or Note) calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

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

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Section 2. Definitions.

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

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Undertaking.

“Purchaser” means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

“Security Holder” means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

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

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as

