

OFFICIAL STATEMENT DATED JUNE 24, 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.

**WEST VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK
(the "District" or the "School District")**

**\$3,800,000
BOND ANTICIPATION NOTES, 2026
(the "Notes")**

**At an Interest Rate of 4.00% to Yield 3.25%
CUSIP #956405 CT9**

Dated: July 8, 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 Jersey City, New Jersey, 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. 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.

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 Jersey City, New Jersey (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about July 8, 2026.

BNY MELLON CAPITAL MARKETS, LLC

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED JUNE 16, 2026 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE, THE TABLE OF CONTENTS, AND THE DATED DATE ON PAGE 38, THERE HAVE BEEN NO MATERIAL REVISIONS TO SAID OFFICIAL STATEMENT.

**WEST VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK**

School District Officials

2025-26 BOARD OF EDUCATION

George Kazmierczak - President
Heather Klahn - Vice President

Jonathan Boberg
Tracy Chai
Charles Davis
Adam Fisher
Melissa Pearl

.....

Daniel Amodeo– Superintendent
Jennifer Schultz – Business Administrator
Carolyn Boberg – District Clerk

.....

School District Attorney

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.

<u>TABLE OF CONTENTS</u>		
	<u>Page</u>	<u>Page</u>
		General Fund Operations 26
		STAR- School Tax Exemption 27
DESCRIPTION OF THE NOTES	4	
Purpose and Authorization	5	
Book-Entry-Only System	5	
Certificated Notes	7	
Security and Source of Payment	7	
Remedies of Noteholders on Default	7	
Special Provisions Affecting Remedies		
Upon Default	8	
THE SCHOOL DISTRICT	9	
General Information	9	
District Population	9	
Selected Wealth and Income Indicators	10	
District Facilities	10	
District Employees	11	
Historical and Projected Enrollment	11	
Employee Pension Benefits	11	
Other Post-Employment Benefits	14	
Major Employers	15	
Unemployment Rate Statistics	15	
Investment Policy	16	
Form of School Government	16	
Budgetary Procedures	16	
State Aid	17	
Fiscal Stress Monitoring	21	
New York State Comptroller		
Report of Examination	22	
Other Information	23	
Financial Statements	23	
TAX INFORMATION	24	
Assessed and Full Valuations	24	
Tax Rate Per \$1,000 Assessed Value	25	
Tax Collection Procedure	25	
Tax Collection Record	25	
Real Property Tax Revenues	26	
Major Taxpayers for 2025-26 Tax Roll	26	
		TAX LEVY LIMITATION LAW 27
		STATUS OF INDEBTEDNESS 28
		Constitutional Requirements 28
		Statutory Procedure 28
		Debt Outstanding End of Fiscal Year 29
		Status of Outstanding Bond Issues 30
		Total Annual Bond Principal and Interest Due 30
		Cash Flow Borrowings 31
		Status of Short-Term Indebtedness 31
		Capital Project Plans 31
		Building Aid Estimate 31
		Debt Statement Summary 32
		Estimated Overlapping Indebtedness 33
		Debt Ratios 33
		MARKET AND RISK FACTORS 33
		TAX EXEMPTION 35
		APPROVAL OF LEGAL
		 PROCEEDINGS 36
		DISCLOSURE UNDERTAKING 36
		CONTINUING DISCLOSURE
		 COMPLIANCE PROCEDURES 36
		LITIGATION 36
		BOND RATING 36
		MUNICIPAL ADVISOR 37
		MISCELLANEOUS 37
		APPENDIX – A- Financial Information
		APPENDIX – B – Audited Financial Statements
		For the Fiscal Year Ended June 30, 2025
		APPENDIX – C – Form of Disclosure Undertaking

PREPARED WITH THE ASSISTANCE OF:



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OFFICIAL STATEMENT
WEST VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK
(the “District”)

\$3,800,000
Bond Anticipation Notes, 2026
(the “Notes”)

This Official Statement, which includes the cover page, has been prepared by the West Valley Central School District, Cattaraugus County, New York (the “District” or the “School District,” “County” and “State,” respectively) in connection with the sale by the District of its \$3,800,000 Bond Anticipation Notes, 2026 (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 July 8, 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. 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 of the District (the “Board”) on February 11, 2025, which was approved by the qualified voters of the District on December 11, 2024, authorizing the issuance of up to \$4,727,951 of serial bonds for the District to undertake an approved “Capital Improvements Project, 2024” consisting of the partial reconstruction, renovation and the construction of improvements and upgrades to various District buildings and facilities and the sits thereof.

The Proceeds of the Notes in the amount of \$3,800,000 will provide original new money financing 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.

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, judgements 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 or interest of any indebtedness.

THE SCHOOL DISTRICT

General Information

The District is located in the northern portion of Cattaraugus County in western New York on Route 240. The District covers a land area of approximately 64 square miles. It is located approximately 40-45 miles south of Buffalo and approximately 20 miles north of Salamanca.

The District is located primarily in the Town of Ashford, with a substantial portion located in the Town of Ellicottville. The District is primarily rural-residential in character with some commercial and agricultural development. Most residents find employment opportunities outside the District in nearby Springville, Ellicottville, Arcade and Buffalo.

National Grid serves the electrical needs in the area while National Fuel provides gas service. There is no local municipal police force, but the area is served by the Cattaraugus County Sheriff's Department, patrol units of the New York State Police, and the Town of Ashford constables.

District Population

The 2024 population of the School District is estimated to be 1,952. (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:						
Ashford	\$21,662	\$28,788	\$45,965	\$50,750	\$66,563	\$85,759
East Otto	19,291	31,381	33,728	50,673	72,292	97,880
Ellicottville	24,788	35,702	46,841	56,188	73,056	102,273
Franklinville	18,299	25,070	30,323	49,375	70,125	83,125
Machias	19,513	25,744	28,829	47,297	59,083	74,521
Yorkshire	18,873	24,306	29,085	44,861	56,288	67,961
County Of:						
Cattaraugus	20,824	26,797	31,747	51,227	62,587	76,823
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>
West Valley Central School	Pre-K to 12	1936	539	2023

Source: District Officials

District Employees

The District employs a total of 64 full-time and 2 part-time employees with representation by the various bargaining units listed below:

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
West Valley Teacher's Association	40	6/30/2028
West Valley Service Employees' Association	19	6/30/2026*
West Valley Administrators Association	2	6/30/2026*

*Currently under negotiations.

Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projected</u>
2021-22	207	2026-27	185
2022-23	218	2027-28	185
2023-24	211	2028-29	185
2024-25	193	2029-30	185
2025-26	185	2030-31	185

Source: District Officials

Employee Pension Benefits

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

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

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

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

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

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

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

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

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years, the budgeted figures for the 2025-26 fiscal years, and the proposed figures for the 2026-27 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 106,770	\$ 243,835
2021-2022	117,584	251,865
2022-2023	93,996	268,570
2023-2024	109,724	271,345
2024-2025	122,156	274,707
2025-2026 (Budgeted)	150,000	310,000
2026-2027 (Proposed)	167,021	268,720

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	16.20%	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. The District established a TRS Reserve Fund at the June 24, 2019 Board of Education meeting.

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

Other Post-Employment Benefits

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

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

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

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

Based on the most recent actuarial valuation dated June 30, 2024 and financial data as of June 30, 2025, the School District's beginning year total OPEB liability was \$3,941,420, the net change for the year was \$520,248 resulting in a total OPEB liability of \$4,461,668 for a fiscal year ending June 30, 2025. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2025 financial statements.

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

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

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

Major Employers

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
CH2M Hill B&W West Valley, LLC	Environmental Cleanup -WV Nuclear Site	201
West Valley Central Schools	Education	73
Department of Energy	Energy	31
NYS Energy Research & Development Auth.	Retail	24
Ford Brothers	Meat Packing	18

Source: District Officials

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is the County of Cattaraugus. 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 Counties or vice versa.

<u>Year</u>	<u>Cattaraugus County Unemployment Rate</u>	<u>New York State Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
2021	5.3%	7.1%	5.3%
2022	4.1%	4.3%	3.6%
2023	4.1%	4.0%	3.6%
2024	4.1%	4.2%	4.0%
2025	4.2%	4.3%	4.3%

2025-2026 Monthly Figures

	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Cattaraugus	3.4%	3.7%	4.3%	4.4%	4.0%	N/A	4.0%	4.5%	5.3%	5.6%	4.9%	N/A
New York State	3.8%	4.1%	4.8%	4.9%	4.7%	N/A	4.4%	4.3%	4.7%	5.2%	4.4%	4.2%

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

N/A October figures are not available due to Government shutdown.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) savings accounts or money market accounts of designated banks; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) demand deposit accounts in a bank or trust company located in and authorized to do business in the State; (4) obligations of the State; (5) obligations of the United States Government (U.S. Treasury Bills and Notes); (6) repurchase agreements involving the purchase and sale of direct obligations of the United States; (7) revenue anticipation notes or tax anticipation notes of other school districts and municipalities (except for reserve funds and with the approval of the State Comptroller) and (8) in the case of reserve funds, obligations of the School District.

Form of School Government

The Board of Education, which is the policy-making body of the School District, consists of seven members with overlapping five-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold certain other School District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Business Administrator and the District Treasurer.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days 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 District must mail a school budget notice to all qualified voters which contains the total budget 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 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 District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap 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 3rd Tuesday in June or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e.: a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e.: a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023 by a vote of 108 to 60. The School District's 2023-24 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2024-25 fiscal year was adopted by the qualified voters on May 21, 2024 by a vote of 96 to 76. The School District's 2024-25 Budget remained within the School District Tax Cap imposed by Chapter 97 of the laws of 2011.

The budget for the 2025-26 fiscal year was adopted by the qualified voters on May 20, 2025 by a vote of 107 to 75. 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 rejected by the qualified voters on May 19, 2026 by a vote of 117 to 247. The District will present a new budget for voter consideration on June 16, 2026.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2025-26 fiscal year, approximately 57.46% 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

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.

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

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.

State Aid History

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

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

The State 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

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

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

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

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

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 an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022,

the Executive and Legislature agreed to fully fund the Foundation Aid by FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below:

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

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for the 2025-26 fiscal year and proposed figures for the 2026-27 fiscal year.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	\$ 8,036,476	\$ 4,612,627	57.40%
2021-2022	8,341,456	4,883,220	58.54
2022-2023	8,538,425	4,934,775	57.79
2023-2024	9,368,396	5,558,384	59.33
2024-2025	9,270,821	5,475,876	59.07
2025-2026 (Budgeted)	9,385,325	5,393,223	57.46
2026-2027 (Proposed)	9,883,807	5,957,115	60.27

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

Fiscal Stress Monitoring

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2025	No Designation	0.0
2024	No Designation	3.3
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 July 6, 2018. The purpose of the audit was to determine whether the Board effectively managed the District's financial condition for the period July 1, 2014-November 13, 2017.

Key Finding

- The Board's budgeting practices included annually appropriating fund balance that was not used to finance operations and adopting budgets that overestimated appropriations by \$3.1 million (13.5 percent) over a three-year period.
- The reserve fund policy does not adequately address funding levels, which has resulted in reserves being overfunded and not being used.

Key Recommendation

- Adopt budgets that include realistic appropriation estimates.
- Reduce reserve funds to reasonable levels and use the money in the debt reserve to pay the related debt.

District officials agreed with the recommendations and indicated they planned to initiate 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 Comptroller's audits of the District that are currently in progress or pending release.

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

Other Information

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

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

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

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

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2025, and may be found attached hereto as Appendix B.

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

TAX INFORMATION

Assessed and Full Valuations

Fiscal Year Ended
June 30:

	<u>2022</u> ¹	<u>2023</u> ¹	<u>2024</u> ¹	<u>2025</u>	<u>2026</u>
Assessed Valuations:					
Ashford	\$56,135,893	\$139,797,390	\$142,203,329	\$156,339,569	\$164,679,729
East Otto	8,822,985	11,151,289	12,878,021	12,840,969	\$13,780,221
Ellicottville	24,293,177	24,542,872	25,494,966	24,727,213	\$24,641,316
Franklinville	1,016,200	1,017,615	1,050,657	3,036,346	\$3,172,448
Machias	16,344,852	17,643,352	20,068,958	21,615,121	\$21,871,680
Yorkshire	<u>796,305</u>	<u>790,161</u>	<u>792,080</u>	<u>802,087</u>	<u>\$808,923</u>
Total	<u>\$107,409,412</u>	<u>\$194,942,679</u>	<u>\$202,488,011</u>	<u>\$219,361,305</u>	<u>\$228,954,317</u>

Equalization Rates:

Ashford	43.00%	100.00%	100.00%	100.00%	100.00%
East Otto	93.00%	100.00%	100.00%	100.00%	100.00%
Ellicottville	97.00%	84.00%	65.00%	54.50%	53.49%
Franklinville	60.00%	53.00%	45.00%	100.00%	100.00%
Machias	100.00%	100.00%	100.00%	100.00%	92.00%
Yorkshire	13.50%	12.00%	11.00%	11.00%	11.00%

Full Valuations:

Ashford	\$130,548,588	\$139,797,390	\$142,203,329	\$156,339,569	\$164,679,729
East Otto	\$9,487,081	\$11,151,289	\$12,878,021	\$12,840,969	\$13,780,221
Ellicottville	\$25,044,512	\$29,217,705	\$39,223,025	\$45,371,033	\$46,067,145
Franklinville	\$1,693,667	\$1,920,028	\$2,334,793	\$3,036,346	\$3,172,448
Machias	\$16,344,852	\$17,643,352	\$20,068,958	\$21,615,121	\$23,773,565
Yorkshire	<u>\$5,898,556</u>	<u>\$6,584,675</u>	<u>\$7,200,727</u>	<u>\$7,291,700</u>	<u>\$7,353,845</u>
Total	<u>\$189,017,256</u>	<u>\$206,314,439</u>	<u>\$223,908,853</u>	<u>\$246,494,738</u>	<u>\$258,826,954</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.

1. The 2022 Assessed Value for the Town of Ashford includes a \$3,000 clergy exemption.
The 2023 Assessed Value for the Town of Ashford includes a \$3,000 clergy exemption.
The 2024 Assessed Value for the Town of Ashford includes a \$3,000 clergy exemption.

Tax Rate per \$1,000 Assessed Value

Fiscal Year Ending June 30:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Ashford	\$ 35.46	\$ 14.18	\$ 13.46	\$ 12.59	\$ 12.31
East Otto	16.40	14.01	13.46	12.59	12.31
Ellicottville	15.73	16.89	20.70	23.09	23.01
Franklinville	25.43	26.77	29.91	12.59	12.31
Machias	14.98	14.18	13.46	12.59	13.38
Yorkshire	113.01	118.23	122.35	114.42	111.91

Tax Collection Procedure

Property taxes for the District are levied by the County and are collected by the town tax receivers. Such taxes are due and payable on September 1 but may be paid without penalty by September 30. Penalties on unpaid taxes are 2% from October 1 through October 31 and 3% per month thereafter.

On or about November 1, the tax receiver files a report of any uncollected school taxes with the County. The County thereafter on or before April 30 pays to the District the amount of its uncollected taxes. Thus, the District receives its full levy prior to the end of its fiscal year.

Tax Collection Record

Fiscal Year Ended June 30:	2022	2023	2024	2025	2026*
Total Tax Levy	\$2,883,716	\$2,927,113	\$3,013,400	\$3,102,325	\$3,186,268
Amount Uncollected	171,649	215,569	214,963	232,226	213,465
% Uncollected	6.92%	7.40%	7.13%	7.48%	6.70%

Note: * Collection figures as of 11/10/25 (Final).

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	\$ 8,036,476	\$ 2,451,419	30.50%
2021-2022	8,341,456	2,481,206	29.75
2022-2023	8,538,425	2,566,490	30.06
2023-2024	9,368,396	2,686,796	28.68
2024-2025	9,270,821	2,782,293	30.01
2025-2026 (Budgeted)	9,385,325	3,186,268	33.95
2026-2027 (Proposed)	9,883,807	3,253,180	32.91

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

Major Taxpayers 2025

For 2025-2026 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Value</u>
Niagara Mohawk Power Corp,	Utility	\$ 4,153,534
National Grid,	Utility	2,572,241
Krog, Peter	Office Building	2,326,700
National Fuel Gas Dist,	Utility	2,032,625
National Fuel Gas Supply,	Utility	1,639,902
Armstrong Telecommunications,	Utility	1,166,899
Ford Brothers Wholesale Meats,	Meat Wholesale	1,159,400
Licata, Louis R	Residential	863,200
Freedom Lodge LLC	Residential	804,000
Buffalo & Pittsburg, Rr	Railroad	754,587
Total		<u>\$17,473,088</u>

1. The above taxpayers represent 6.75% of the School District's 2025-2026 Full value of \$258,826,954.

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 \$93,200 or less in 2023 and \$98,700 or less in 2024, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$81,400 for the 2023-24 school year and the first \$84,000 for the 2024-25 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross Income not in excess of \$250,000 (\$500,000 in the case of a STAR Credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

The 2022-23 State budget provided \$2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients were eligible for the property tax rebate where the benefit was a percentage of the homeowners’ existing STAR benefit.

TAX LEVY LIMITATION LAW

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

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

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

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

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

necessary to support “Capital Local Expenditures” is defined as the “Capital Tax Levy” and is an exclusion from the tax levy limitation.

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other 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:	2021	2022	2023	2024	2025
Serial Bonds	<u>\$260,000</u>	<u>\$200,000</u>	<u>\$2,880,000</u>	<u>\$2,705,000</u>	<u>\$2,500,000</u>
Total Debt Outstanding	\$260,000	\$200,000	\$2,880,000	\$2,705,000	\$2,500,000

Status of Outstanding Bond Issues

Year of Issue:	2023	
Amount Issued:	\$2,745,000	
Purpose/Instrument:	Construction/DASNY	
Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>
2026	\$ 140,000	\$ 125,000
2027	145,000	118,000
2028	155,000	110,750
2029	165,000	103,000
2030	170,000	94,750
2031	180,000	86,250
2032	190,000	77,250
2033	200,000	67,750
2034	210,000	57,750
2035	220,000	47,250
2036	230,000	36,250
2037	240,000	24,750
2038	<u>255,000</u>	<u>12,750</u>
Totals:	\$ 2,500,000	\$ 961,500

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	\$ 140,000	\$ 125,000	\$ 265,000	7.66%
2027	145,000	118,000	263,000	15.25%
2028	155,000	110,750	265,750	22.93%
2029	165,000	103,000	268,000	30.67%
2030	170,000	94,750	264,750	38.32%
2031	180,000	86,250	266,250	46.01%
2032	190,000	77,250	267,250	53.73%
2033	200,000	67,750	267,750	61.47%
2034	210,000	57,750	267,750	69.20%
2035	220,000	47,250	267,250	53.73%
2036	230,000	36,250	266,250	61.43%
2037	240,000	24,750	264,750	69.12%
2038	<u>255,000</u>	<u>12,750</u>	<u>267,750</u>	100.00%
Totals:	\$ 2,500,000	\$ 961,500	\$ 3,461,500	

Cash Flow Borrowings

The District has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past, and does not anticipate having to do so in the future.

Status of Short-Term Indebtedness

The District has no short-term indebtedness as of the date of this Official Statement.

Capital Project Plans

The District voters approved a \$3,875,000 Capital Project on March 9, 2021. The project will consist of upgrades and improvements to lighting, hall lockers, alarm system, sinks, carpets and tiles, windows, and bus garage roof. The District issued a \$3,030,000 Bond Anticipation Note on October 26, 2022. The District issued a \$2,745,000 School District Revenue Bond through DASNY on June 15, 2023

The District voters approved a \$6,095,000 Capital Project on December 11, 2024. The project will consist of implementing various health, safety, accessibility and Code compliance measures that are required by the State Education Department in connection with any significant capital improvements project. The project cost will be covered by the Capital Reserve Fund (\$128,865) plus any additional interest earned and \$1,238,184 from the Capital Improvement Reserve Fund 2022. The balance of the cost of the project (in a maximum amount of \$4,727,951) will be borrowed. This is the Project for which the Notes are being issued to finance.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 85.0%.

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

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

Debt Statement Summary

As of June 1, 2026

<u>Town</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Taxable Full Valuation</u>
Ashford	\$ 164,679,729	100.00%	\$ 164,679,729
East Otto	13,780,221	100.00%	13,780,221
Ellicottville	24,641,316	53.49%	46,067,145
Franklinville	3,172,448	100.00%	3,172,448
Machias	21,871,680	92.00%	23,773,565
Yorkshire	808,923	11.00%	7,353,845
Total			<u>\$ 258,826,954</u>
Debt Limit: 10% of Full Valuation			\$ 25,882,695
Inclusions:			
Serial Bonds			<u>\$ 2,500,000</u>
Total Inclusions:			<u>\$ 2,500,000</u>
Exclusions:			
Building Aid Estimate ¹			<u>\$0</u>
Total Exclusions:			<u>\$0</u>
Total Net Indebtedness Before Giving Effect to This Issue:			\$ 2,500,000
New Monies This Issue:			<u>3,800,000</u>
Total Net Indebtedness			<u>\$ 6,300,000</u>
Net Debt Contracting Margin			\$ 19,582,695
Percentage of Debt-Contracting Power Exhausted			24.34%

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

Estimated Overlapping Indebtedness

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u> ¹	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Cattaraugus County	\$ 258,826,954					
	\$ 6,439,279,929	4.02%	\$ 47,734,868	N/A	\$ 47,734,868	\$ 1,918,704
Town of Ashford	\$ 164,679,729					
	\$ 199,666,705	82.48%	\$ 997,680	N/A	\$ 997,680	\$ 822,860
Town of East Otto	\$ 13,780,221					
	\$ 125,158,984	11.01%	\$ 125,846	N/A	\$ 125,846	\$ 13,856
Town of Ellicottville	\$ 46,067,145					
	\$ 972,925,588	4.73%	\$ 4,695,000	N/A	\$ 4,695,000	\$ 222,304
Town of Franklinville	\$ 3,172,448					
	\$ 197,113,029	1.61%	\$ 372,622	N/A	\$ 372,622	\$ 5,997
Town of Machias	\$ 23,773,565					
	\$ 221,175,381	10.75%	\$ 6,073,288	N/A	\$ 6,073,288	\$ 652,802
Town of Yorkshire	\$ 7,353,845					
	\$ 262,287,918	2.804%	\$ 2,936,192	N/A	\$ 2,936,192	\$ 82,323
Total						<u>\$ 3,718,845</u>

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

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

N/A Information not available from source document.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 1, 2026:

	Amount	Per Capita ^(a)	Percentage of Full Value ^(b)
Net Indebtedness	\$ 6,300,000	\$ 3,227.46	2.434%
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 10,018,845	\$ 5,132.61	3.871%

(a) The District's estimated population is 1,952. (Source: 2024 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2025-26 is \$258,826,954.

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. 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.

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.

As required under S.E.C. Rule 15c2-12, on December 28, 2023 a Material Event Notice was filed due to a late payment of interest. The interest payment due on Friday, December 15, 2023 for the \$772,200 Serial Bond, 2010 and \$2,745,000 Serial Bond, 2023 weren't received by US Bank until the next succeeding business day, Monday, December 18, 2023 due to a bank processing error. There were no financial factors that contributed to the late payment.

LITIGATION

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

The District was named in a lawsuit under the Child Victims Act and received notice on October 1, 2021. The claim was filed in the Supreme Court of the State of New York in the County of New York, John Doe, et al. vs. Boy Scouts of America et al., Index No.951246/2021. Due to the current bankruptcy proceedings related to Boy Scouts of America, the matter is stayed.

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 District does not currently have an underlying rating on its long-term general obligation indebtedness.

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: Jennifer Schultz, Business Administrator, phone: (716) 942-3100 x4103; email: jschultz@wvalley.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.

West Valley Central School District

Dated: June 24, 2026
West Valley, New York

George Kazmierczak
President of the Board of Education

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

	Budget						
Fiscal Year Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	
Beginning Fund Balance - July 1	\$5,058,621	\$4,484,719	\$4,903,820	\$5,734,641	\$6,891,976	\$5,944,024	E
<u>Revenues:</u>							
Real Property Taxes	\$2,451,419	\$2,481,206	\$2,566,490	\$2,686,796	\$2,782,293	\$3,186,268	
Real Property Tax Items	714,920	686,349	664,225	642,671	636,643	306,404	
Charges for Services	23,044	35,085	34,022	16,236	32,641	30,000	
Use of Money & Property	5,028	9,096	163,132	270,644	215,399	40,000	
Sale of Property/Comp. for Loss	17,083	8,620	6,079	19,384	17,182	12,600	
Miscellaneous	99,078	106,224	118,054	114,287	102,034	119,000	
State Aid	4,612,627	4,883,220	4,934,775	5,558,384	5,475,876	5,393,223	
Federal Aid	113,277	60,425	47,223	36,745	8,753	20,000	
Interfund Transfers	<u>0</u>	<u>71,231</u>	<u>4,425</u>	<u>23,249</u>	<u>0</u>	<u>277,830</u>	
Total Revenues	\$8,036,476	\$8,341,456	\$8,538,425	\$9,368,396	\$9,270,821	\$9,385,325	
<u>Expenditures:</u>							
General Support	\$1,621,468	\$1,728,648	\$1,643,357	\$1,911,537	\$1,857,029	\$2,005,298	
Instruction	3,796,577	3,695,652	3,428,788	3,261,838	3,820,504	4,293,112	
Transportation	391,742	507,866	555,182	595,994	549,804	777,359	
Employee Benefits	1,777,089	1,805,191	1,784,270	1,983,035	2,175,057	2,681,231	
Debt Service	73,631	71,231	159,508	358,657	339,900	265,000	
Interfund Transfer	<u>949,872</u>	<u>113,767</u>	<u>136,499</u>	<u>100,000</u>	<u>100,000</u>	<u>110,000</u>	
Total Expenditures	\$8,610,379	\$7,922,355	\$7,707,604	\$8,211,061	\$8,842,294	\$10,132,000	
Adjustments	1	0	0	0	(1,376,479)	0	
Year End Fund Balance	\$4,484,719	\$4,903,820	\$5,734,641	\$6,891,976	\$5,944,024	\$5,197,349	E
Excess (Deficit) Revenues Over Expenditures	(\$573,903)	\$419,101	\$830,821	\$1,157,335	\$428,527	(\$746,675)	1

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

2026-27 Proposed Budget

Revenues:

Real Property Taxes & STAR	\$3,253,180
Other Tax Items	316,151
Other Revenues	20,043
Charges for Services	0
Use of Money & Property	160,000
Sale of Property	0
Miscellaneous	102,318
State Aid	5,957,115
Federal Aid	25,000
Interfund Transfers	50,000
Appropriated Fund Balance	675,000
Total Revenues	\$10,558,807

Expenditures:

General Support	\$2,044,892
Instruction	4,597,414
Transportation	619,804
Employee Benefits	2,790,697
Debt Service	396,000
Interfund Transfers	10,000
Capital Outlay	100,000
Total Expenditures	\$10,558,807

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2022</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assets:					
Unrestricted Cash	\$1,246,400	\$751,358	\$1,052,530	\$654,548	\$1,655,130
Restricted Cash	3,814,037	4,706,627	2,465,413	5,684,310	5,420,339
State and Federal Aid Receivables	93,857	78,206	28,703	469,099	84,668
Due from Other Funds	207,442	210,058	41,344	726,174	100,406
Due from Other Governments	5,430	554,116	0	791	544,366
Due from Fiduciary funds	57	4,463	0	11,258	11,119
Other Receivables	0	3,573	12,674	2,452	2,855
Total Assets	<u>\$5,367,223</u>	<u>\$6,308,401</u>	<u>\$3,600,664</u>	<u>\$7,548,632</u>	<u>\$7,818,883</u>
Liabilities:					
Accounts Payable	\$5,506	\$11,987	\$0	\$211,216	\$154,912
Accrued Liabilities	67,359	73,933	48,515	73,400	33,535
Student Deposits	20,625	22,083	0	22,172	22,194
Due to Other Funds	44,970	143,790	0	16,943	1,326,697
Due from Fiduciary Funds	0	0	0	0	0
Due to Teachers' Retirement System	290,600	298,507	198,626	302,846	296,181
Due to Employees' Retirement System	34,343	23,460	19,891	30,061	41,322
Unearned Revenues	0	0	0	18	18
Total Liabilities:	<u>\$463,403</u>	<u>\$573,760</u>	<u>\$267,032</u>	<u>\$656,656</u>	<u>\$1,874,859</u>
Fund Balances:					
Restricted	\$3,814,037	\$4,706,627	\$2,465,413	\$5,684,310	\$4,380,770
Assigned	725,955	650,125	650,797	812,538	746,639
Unassigned	363,828	377,889	217,422	395,128	816,615
Total Fund Balance	<u>\$4,903,820</u>	<u>\$5,734,641</u>	<u>\$3,333,632</u>	<u>\$6,891,976</u>	<u>\$5,944,024</u>
Total Liabilities and Fund Balance	<u>\$5,367,223</u>	<u>\$6,308,401</u>	<u>\$3,600,664</u>	<u>\$7,548,632</u>	<u>\$7,818,883</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.

**WEST VALLEY CENTRAL
SCHOOL DISTRICT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

**WEST VALLEY CENTRAL SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2025
TABLE OF CONTENTS**

<u>Schedule Number</u>		<u>Page</u>
	INDEPENDENT AUDITORS' REPORT	4-5
	MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	6-15
	BASIC FINANCIAL STATEMENTS	
	GOVERNMENT-WIDE FINANCIAL STATEMENTS	
1	Statement of Net Position	16
2	Statement of Activities and Changes in Net Position	17
	FUND FINANCIAL STATEMENTS	
3	Balance Sheet – Governmental Funds	18
4	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
5	Statement of Fiduciary Net Position	20
6	Statement of Changes in Fiduciary Net Position	21
7	Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	22
8	Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities	23
	Notes to the Financial Statements	24-52
	REQUIRED SUPPLEMENTARY INFORMATION	
SS1	Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP Basis) and Actual - General Fund	53
SS2	Schedule of Changes in Net OPEB Liability and Related Ratios	54
SS3	Schedules of District Contributions- NYSTRS Pension Plan and NYSERS Pension Plan	55
SS4	Schedule of District's Proportionate Share of the Net Pension Liability (Asset)- NYSTRS Pension Plan and NYSERS Pension Plan	56

<u>Schedule Number</u>		<u>Page</u>
	OTHER SUPPLEMENTARY INFORMATION	
SS5	Schedule of Capital Projects Fund - Project Expenditures and Financing Resources	57
SS6	Schedules of Change From Adopted Budget to Final Budget- General Fund and Section 1318 of Real Property Tax Law Limit Calculation	58
SS7	Investment in Capital Assets, Net of Related Debt	59
	INTERNAL CONTROL AND COMPLIANCE	
	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 <i>Government Auditing Standards</i>	60-61
	Schedule of Findings and Questioned Costs	62
	EXTRACLASSROOM ACTIVITY FUNDS	
	Independent Auditors' Report on Statements of Extraclassroom Activity Fund	63-64
SS8	Statement of Assets and Liabilities Arising from Cash Transactions - Extraclassroom Activity Fund	65
SS9	Statement of Revenues Collected and Expenses Paid - Extraclassroom Activity Fund	66
	Notes to the Extraclassroom Activity Fund	67
	Findings and Evaluations	68
	MANAGEMENT LETTER	69-70



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INDEPENDENT AUDITORS' REPORT

To the Board of Education
West Valley Central School District
West Valley, New York 14171

Opinion

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

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

Basis for Opinion

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the West Valley Central School District's basic financial statements. The other supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the West Valley Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 West Valley Central School District's internal control over financial reporting and compliance.

Springville, New York
September 30, 2025

R. A. MERCER & CO., P.C.

R. A. Mercer & Co. P.C.

**WEST VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

As management of the West Valley Central School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the West Valley Central School District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the balance of our annual report.

Financial Highlights

The following are the financial highlights experienced by the West Valley Central School District during the fiscal year ending June 30, 2025:

- Overall net assets of the District increased by \$1,086,008 during the 2024-25 fiscal year. Increases (decreases) occurred in the following areas:

Total Government Funds	\$ 405,566
Long Term Debt	852,689
Capital Related Items	(172,247)
Total	<u>\$ 1,086,008</u>

- Total General Fund equity decreased by \$947,952 during the 2024-25 fiscal year.
- Total Capital Projects Fund equity increased by \$1,359,260 during the 2024-25 fiscal year.
- Total General Fund unassigned fund balance at the close of the fiscal year was \$816,615.
- The District's PreK-12 enrollment, as of the end of the school year, was 190 students as compared with 203 students in the prior year.

Overview of the Financial Statement

This annual report consists of three parts: the Management Discussion and Analysis (this section), the basic financial statements, and the required supplementary information. The basic financial statements include two types of statements that present different views of the School District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District. The fund financial statements report the School District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds listing them in a columnar format.
- The *governmental fund statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain information contained in the statements. In addition, the notes provide additional data about the District. The financial statements are followed by a section of required supplementary information that further explain and support the financial statements.

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

Major Features of the District-Wide and Fund Financial Statements

Figure A-1		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as regular education programs and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs.
Required financial statements	• Statement of net position • Statement of activities and changes in net position	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

The two district-wide statements report the School District's net position and how it has changed. Net position, the difference between the School District's assets and liabilities, is one way to measure the School District's financial health or *position*. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown as *Governmental Activities*. Most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants). The District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements can explain the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the School District Taken as a Whole

Figure A-2 presents a Condensed Statement of Net Position showing the School District has a net position of \$8,562,883. The components of the net position include; net investment in capital assets of \$5,447,377; restricted net position of \$6,006,829; and, unrestricted net position of \$(2,891,323). While the District's overall net position is positive there still exists significant post-retirement health insurance liabilities resulting in the negative unrestricted net position.

Figure A-2 Condensed Statement of Net Position			
	2024-2025	2023-2024	% Change
Current and Other Assets	\$ 8,241,784	\$ 8,010,706	3%
Net Pension Asset	439,821	0	n/a
Capital Assets	8,228,879	8,401,125	-2%
Total Assets	16,910,484	16,411,831	3%
Deferred Outflows of Resources	2,610,758	2,469,998	6%
Total Assets and Deferred Outflows of Resources	19,521,242	18,881,829	3%
Long-Term Liabilities	7,925,811	7,822,030	1%
Other Liabilities	638,933	813,828	-22%
Total Liabilities	8,564,744	8,635,858	-1%
Deferred Inflows of Resources	2,393,615	2,769,097	-14%
Total Liabilities and Deferred Inflows of Resources	10,958,359	11,404,955	-4%
Net Position			
Net Investment in Capital Assets	5,447,377	5,368,120	2%
Restricted	6,006,829	6,260,881	-4%
Unrestricted (Deficit)	(2,891,323)	(4,152,127)	30%
Total Net Position	\$ 8,562,883	\$ 7,476,874	15%

Figure A-3 presents the Changes in Net Position from Operating Results. The total change for the 2024-2025 fiscal year was an increase of \$1,086,008. The changes were a result of the following:

- The deficit of revenues and other sources below expenditures and other uses in the amount of \$947,952 in the General Fund which included \$1,476,479 transferred to the Capital Projects Fund.
- The deficit of revenues below expenditures in the Cafeteria Fund in the amount of \$9,130.
- The excess of revenues and other sources over expenditures and other sources in the amount of \$1,359,260 in the Capital Fund which included \$1,476,479 received from the General Fund.
- The net increase in the Debt Service Fund of \$3,388 due to interest earned.
- Net decrease due to depreciation, dispositions, and other adjustments in excess of capital outlay in the amount of \$172,247.
- Changes in the recognition of long-term debt due to the implementation of GASB 34, 68 and 75 resulting in an increase of \$852,689. Additional information can be found in Schedule 8, Reconciliation of Governmental Funds Revenue, Expenditures and Changes in Fund Equity to the Statement of Activities.

Figure A-3 Changes in Net Position from Operating Results			
Revenues	2024-2025	2023-2024	% Change
Program Revenues			
Charges for Services	\$ 40,932	\$ 16,236	152%
Operating Grants	540,131	1,312,498	-59%
General Revenues			
Property Taxes	2,782,293	2,686,796	4%
Other Tax Items	636,643	642,671	-1%
State Formula Aid	5,598,572	5,876,572	-5%
Federal Aid and Medicaid	8,753	36,745	-76%
Interest Earnings	218,796	270,990	-19%
Miscellaneous/Sale of Property	119,216	139,299	-14%
Total Revenues	9,945,336	10,981,807	-9%
Expenses			
General Support	1,862,277	2,128,298	-13%
Instruction	3,671,884	3,496,196	5%
Transportation	400,924	343,743	17%
Employee Benefits	2,134,683	2,238,069	-5%
Debt Service	87,990	134,101	-34%
Cost of Sales – Cafeteria	159,102	157,783	1%
Depreciation	542,468	531,828	2%
Loss on Disposition of Equipment	0	0	n/a
Total Expenses	8,859,328	9,030,018	-2%
Increase (Decrease) in Net Position	\$ 1,086,008	\$ 1,951,789	-44%

Figures A-4 and A-5 further depict the various sources of revenue and expense in the government-wide financial statements:

Figure A-4 Sources of Revenue for the Year Ended June 30, 2025

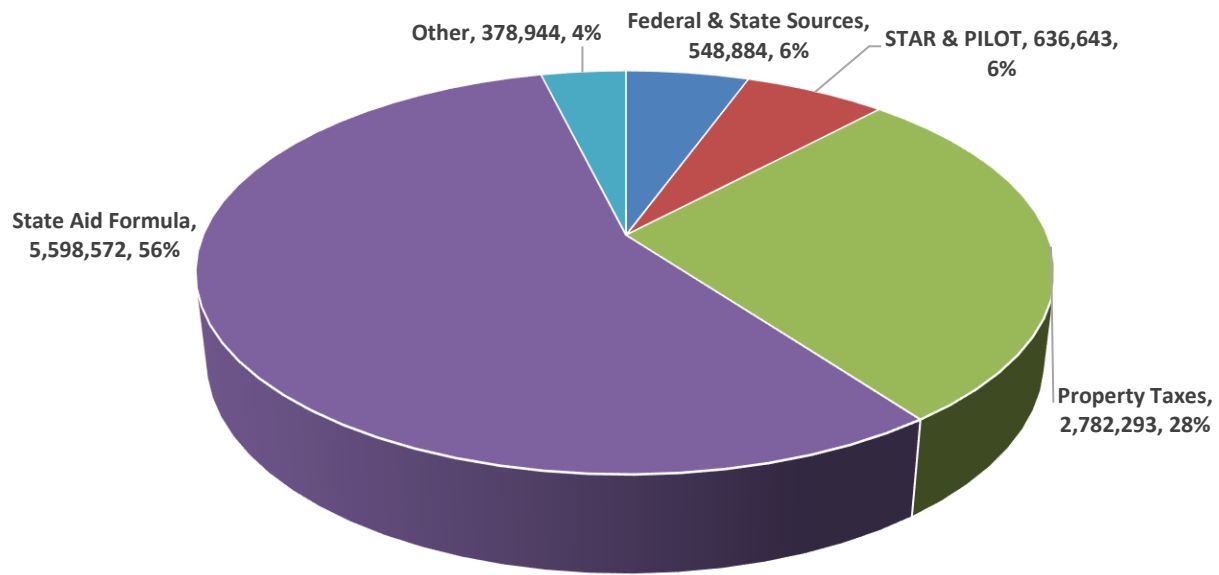
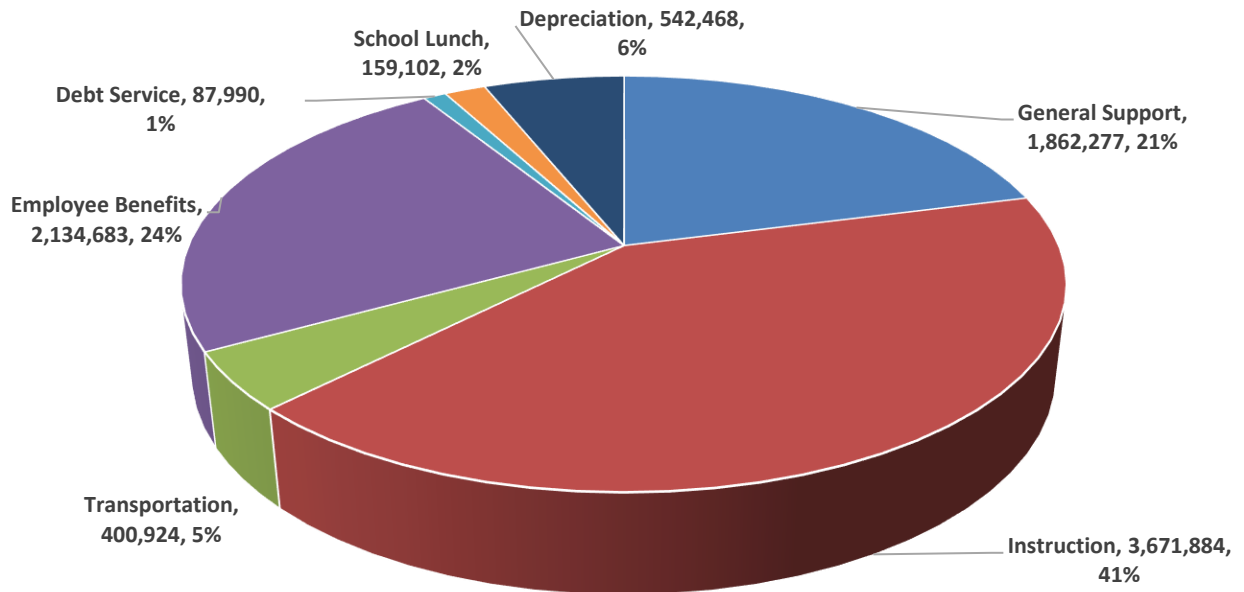


Figure A-5 Expenses for the Year Ended June 30, 2025



Financial Analysis of the School District's Funds

General Fund

In 2024-2025 General Fund revenues exceeded its expenses by \$528,527. In addition, \$100,000 was transferred to the Capital Fund to cover the local share of capital projects and \$1,376,479 was transferred to the Capital Fund to transfer Capital Reserve funds. As a result, General Fund equity decreased by \$947,952 resulting in beginning fund equity of \$6,891,976 decreasing to \$5,944,024 for the year ended June 30, 2025. The following table represents the components of fund equity:

	2024-2025	2023-2024
Restricted for Unemployment	424,096	411,513
Restricted for Capital	0	134,192
Restricted for Capital 2022	389,876	1,579,754
Restricted for Transportation	266,502	358,358
Restricted for Employee Benefits	812,031	787,938
Restricted for Employees Retirement System	2,014,039	1,954,282
Restricted for Workers Compensation	177,470	172,204
Restricted for TRS Retirement Contribution	296,756	286,069
Assigned for Encumbrances	0	57,044
Assigned for Subsequent Year's Expenses	746,639	755,494
Unassigned	816,615	395,128
Total General Fund Equity	<u>\$5,944,024</u>	<u>\$6,891,976</u>

Special Aid Fund

The District's Special Aid Fund which receives its funding from Federal, State, and local grants recognized revenues in the amount of \$398,459. In order to recognize the revenues, the District must expend an equal amount to support the specific programs for which the grant monies are received.

Cafeteria Fund

The District's cafeteria expenses exceeded its revenues by \$9,130. Total Cafeteria Fund equity at June 30, 2025 is \$37,905.

Capital Fund

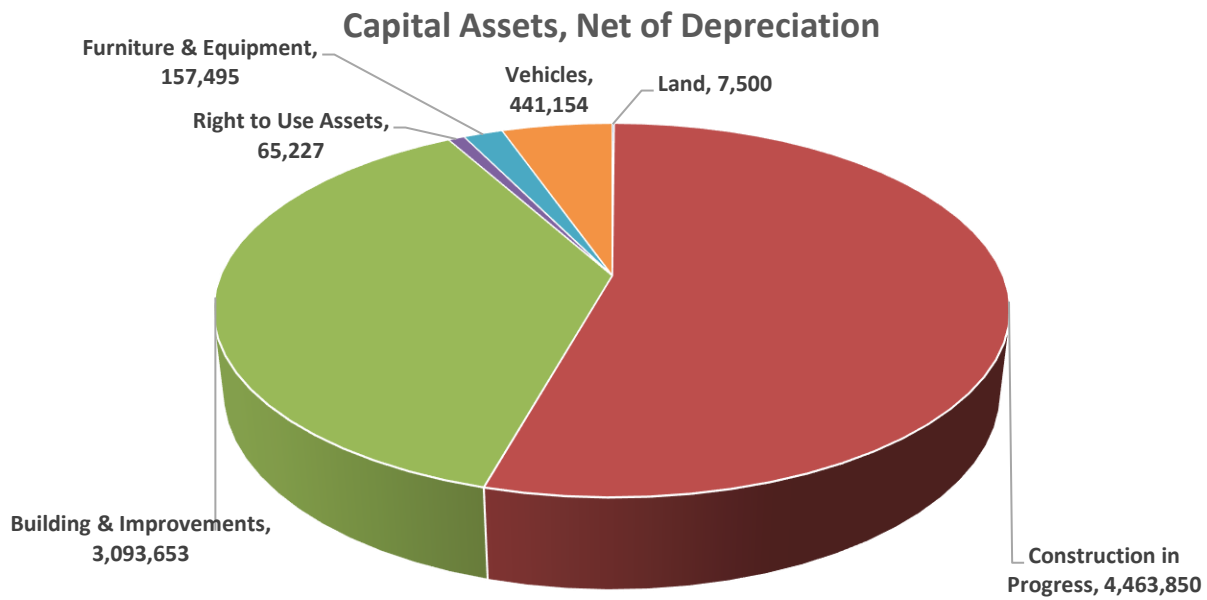
The beginning fund deficit of \$313,160 increased to a positive \$1,046,100 for the year ending June 30, 2025. The fund increase is the net result of state source revenue of \$122,696 less capital outlay project and expenses of \$239,915, plus proceeds from a \$100,000 inter-fund transfer from the General Fund to cover the local share of the capital outlay expenses and \$1,376,479 of General Fund restricted fund balance transferred from the General Fund. Over time fund balances are increased and decreased as capital outlays are made and revenues are recognized for debt service payments made in the General Fund.

General Fund Budgetary Highlights

Figure A-6 General Fund – Budget vs. Actual (in thousands of dollars)							
		Revised Budget		Actual		Encumbrances	Actual Over (Under)
Revenue							
Local sources	\$	3,771	\$	3,786	\$		\$ 15
State sources		5,332		5,476			144
Federal sources		20		9			(11)
Operating transfers		0		0			0
Total Revenue	\$	9,123	\$	9,271	\$		\$ 148
Expenditures							
General support	\$	2,090	\$	1,857	\$		\$ (233)
Instruction		4,352		3,820			(532)
Transportation		690		550			(140)
Employee benefits		2,353		2,175			(178)
Debt service		340		340			0
Operating transfers		110		100			(10)
Total Expenditures	\$	9,935	\$	8,842	\$		\$ (1,093)

Capital Assets

The West Valley Central School District's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$8,228,879 net of accumulated depreciation. The investment in capital assets includes land, building and building improvements, equipment, and vehicles. The decrease from the prior year was \$172,247. The following is a graphical depiction of the components of investment in capital assets, net of accumulated depreciation:



Long-Term and Short-Term Debt

As of June 30, 2025, the District's total outstanding bonded debt was \$2,500,000. The District will be reimbursed by the State of New York in the form of building aid at a rate of 85% on the bonds issued in 2010 and 2023.

In the past the District has used Bond Anticipation Notes to purchase buses. Currently, we are using funds allocated to the Transportation Reserve. As of June 30, 2025, there was no outstanding balance for bus BANs.

New York State Local Finance Law limits the amount of general obligation debt a school district can issue to 10% of its full valuation. The current debt limit for the District is \$24,649,474. Currently the District is at approximately 11% of its debt limit.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- Uncertainty of revenues associated with school aid to be received from New York State in future years
- Limits placed on the ability of the District to raise tax revenue as a result of New York State's property tax levy limit
- The potential for declining enrollment due to lack of economic growth in the local area
- Unknown economic outcomes due to the current United States and global economy

Request for Information

This financial report is designed to provide the West Valley Central School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the West Valley Central School Business Office, 5359 School St., West Valley, New York, 14171.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WEST VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

Schedule 1

Assets

Cash	
Unrestricted Cash	\$ 1,713,577
Restricted Cash	5,719,701
Receivables	
Accounts Receivable, Other	2,855
State and Federal Aid Receivable	238,192
Due from Fiduciary Funds	11,119
Due from Other Governments	550,520
Inventory	5,820
Net Pension Asset, TRS Proportionate Share	439,821
Capital Assets, Net of Accumulated Depreciation	8,228,879
Total Assets	16,910,484

Deferred Outflows of Resources

Deferred Outflows - OPEB	1,321,654
Deferred Outflows - ERS	223,017
Deferred Outflows - TRS	1,066,087
Total Deferred Outflows of Resources	2,610,758

Total Assets and Deferred Outflows of Resources

\$ 19,521,242

Liabilities

Payables	
Accounts Payable	\$ 165,379
Accrued Liabilities	39,134
Student Deposits	22,194
Due to Other Governments	65
Due to Employees' Retirement System	41,322
Due to Teachers' Retirement System	296,181
Unearned Credits	
Unearned Revenues	74,658
Long-Term Liabilities	
Due and payable within one year	
Bonds Payable	140,000
Postemployment Benefits Payable - OPEB	328,934
Compensated Absences	50,000
Due and payable after one year	
Bonds Payable	2,641,502
Net Pension Liability, ERS Proportionate Share	346,935
Compensated Absences	285,706
Postemployment Benefits Payable - OPEB	4,132,734
Total Liabilities	8,564,744

Deferred Inflows of Resources

Deferred Inflows - OPEB	1,808,397
Deferred Inflows - ERS	35,987
Deferred Inflows - TRS	549,231
Total Deferred Inflows of Resources	2,393,615

Net Position

Invested in Capital Assets, Net of Related Debt	5,447,377
Restricted	6,006,829
Unrestricted (Deficit)	(2,891,323)
Total Net Position	8,562,883

Total Liabilities, Deferred Inflows of Resources and Net Position

\$ 19,521,242

See Accompanying Independent Auditors' Report and Notes to Financial Statements.

WEST VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

Schedule 2

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants	
General Support	\$ 1,862,277	\$ 347,691	\$ -	\$ -	\$ (2,209,968)
Instruction	3,671,884	2,109,394	32,641	398,459	(5,350,178)
Pupil Transportation	400,924	220,066	-	-	(620,990)
Community Services	-	-	-	-	-
Employee Benefits	2,134,683	(2,134,683)	-	-	-
Debt Service	87,990	-	-	-	(87,990)
School Lunch Program	159,102	-	8,291	141,672	(9,139)
Depreciation	542,468	(542,468)	-	-	-
Total Functions and Programs	\$ 8,859,328	\$ -	\$ 40,932	\$ 540,131	(8,278,265)
General Revenues					
Property Taxes					2,782,293
Other Tax Items					636,643
Use of Money and Property					218,796
Sale of Property and Compensation for Loss					17,182
Miscellaneous					102,034
Interfund Revenues					-
State Sources					5,598,572
Medicaid Reimbursements					8,753
Federal Sources					-
Sales (Cafeteria)					-
Total General Revenues					9,364,273
Change in Net Position					1,086,008
Total Net Position - Beginning of Year					7,476,875
Total Net Position - End of Year					\$ 8,562,883

See Accompanying Independent Auditors' Report and Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

WEST VALLEY CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025

Schedule 3

	GOVERNMENTAL FUND TYPES					
	General	Capital Projects	Special Aid	Cafeteria	Debt Service	(Memo Only) Total
ASSETS						
Cash						
Unrestricted Cash	\$ 1,655,130	\$ -	\$ 16,826	\$ 41,621	\$ -	\$ 1,713,577
Restricted Cash	5,420,339	6,531	-	-	292,831	5,719,701
Receivables						
Accounts Receivable, Other	2,855	-	-	-	-	2,855
State and Federal Aid Receivable	84,668	-	143,318	10,206	-	238,192
Due from Other Funds	100,406	1,326,697	-	-	287,128	1,714,231
Due from Fiduciary Funds	11,119	-	-	-	-	11,119
Due from Other Governments	544,366	-	6,154	-	-	550,520
Inventory	-	-	-	5,820	-	5,820
Total Assets	\$ 7,818,883	\$ 1,333,228	\$ 166,298	\$ 57,647	\$ 579,959	\$ 9,956,015
LIABILITIES						
Payables						
Accounts Payable	\$ 154,912	\$ -	\$ -	\$ 10,467	\$ -	\$ 165,379
Accrued Liabilities	33,535	-	-	462	-	33,997
Student Deposits	22,194	-	-	-	-	22,194
Due to Other Governments	-	-	-	65	-	65
Due to Other Funds	1,326,697	287,128	91,658	8,748	-	1,714,231
Due to Employees' Retirement System	41,322	-	-	-	-	41,322
Due to Teachers' Retirement System	296,181	-	-	-	-	296,181
Unearned Credits						
Unearned Revenues	18	-	74,640	-	-	74,658
Total Liabilities	1,874,859	287,128	166,298	19,742	-	2,348,027
FUND BALANCES						
Nonspendable						
Reserved for Inventories & Supplies	-	-	-	5,820	-	5,820
Restricted						
Unemployment	424,096	-	-	-	-	424,096
Debt Service Reserve	-	-	-	-	579,959	579,959
Capital	-	1,046,100	-	-	-	1,046,100
Capital Improvement Reserve Fund	389,876	-	-	-	-	389,876
Transportation Reserve	266,502	-	-	-	-	266,502
Employee Benefit Accrued Liability Reserve	812,031	-	-	-	-	812,031
Retirement Contribution	2,014,039	-	-	-	-	2,014,039
Workers Compensation	177,470	-	-	-	-	177,470
TRS Retirement Contribution	296,756	-	-	-	-	296,756
Assigned						
Cafeteria	-	-	-	32,085	-	32,085
Appropriated Fund Balance	746,639	-	-	-	-	746,639
Unassigned	816,615	-	-	-	-	816,615
Total Fund Balances	5,944,024	1,046,100	-	37,905	579,959	7,607,988
Total Liabilities and Fund Balances	\$ 7,818,883	\$ 1,333,228	\$ 166,298	\$ 57,647	\$ 579,959	\$ 9,956,015

See Accompanying Independent Auditors' Report and Notes to Financial Statements.

WEST VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Schedule 4

	Governmental Fund Types					(Memo Only) Total
	General	Capital Projects	Special Aid	Cafeteria	Debt Service	
Revenues						
Real Property Taxes	\$ 2,782,293	\$ -	\$ -	\$ -	\$ -	\$ 2,782,293
Other Tax Items	636,643	-	-	-	-	636,643
Charges for Services	32,641	-	-	-	-	32,641
Use of Money and Property	215,399	-	-	9	3,388	218,796
Sale of Property and Compensation for Loss	17,182	-	-	-	-	17,182
Miscellaneous	102,034	-	22,852	-	-	124,886
State Sources	5,475,876	122,696	41,425	30,117	-	5,670,114
Medicaid Reimbursements	8,753	-	-	-	-	8,753
Federal Sources	-	-	334,182	111,555	-	445,737
Sales (Cafeteria)	-	-	-	8,291	-	8,291
Total Revenues	9,270,821	122,696	398,459	149,972	3,388	9,945,336
Expenditures						
General Support	1,857,029	-	98,688	-	-	1,955,717
Instructional	3,820,504	-	299,771	-	-	4,120,275
Pupil Transportation	549,804	-	-	-	-	549,804
Community Services	-	-	-	-	-	-
Employee Benefits	2,175,057	-	-	-	-	2,175,057
Debt Service - Principal	205,000	-	-	-	-	205,000
Debt Service - Interest	134,900	-	-	-	-	134,900
Cost of Sales	-	-	-	159,102	-	159,102
Capital Outlay	-	239,915	-	-	-	239,915
Total Expenditures	8,742,294	239,915	398,459	159,102	-	9,539,770
Excess (Deficit) of Revenues over Expenditures	528,527	(117,219)	-	(9,130)	3,388	405,566
OTHER SOURCES AND (USES)						
Interfund Revenues	-	100,000	-	-	-	100,000
Interfund Expenditures	(100,000)	-	-	-	-	(100,000)
Total Other Sources and (Uses)	(100,000)	100,000	-	-	-	-
Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other Uses	428,527	(17,219)	-	(9,130)	3,388	405,566
Capital Reserve Fund Balance Transfer	(1,376,479)	1,376,479	-	-	-	-
Fund Balance (Deficit), Beginning of Year	6,891,976	(313,160)	-	47,035	576,571	7,202,422
Fund Balance, End of Year	\$ 5,944,024	\$ 1,046,100	\$ -	\$ 37,905	\$ 579,959	\$ 7,607,988

See Accompanying Independent Auditors' Report and Notes to Financial Statements.

WEST VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2025

Schedule 5

	<u>Custodial</u>	<u>Private Purpose Trusts</u>	<u>(Memo Only) Total</u>
ASSETS			
Cash, Restricted	\$ 162,587	\$ -	\$ 162,587
Due From Custodial	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Assets	<u>\$ 162,587</u>	<u>\$ 5,000</u>	<u>\$ 167,587</u>
LIABILITIES			
Other Liabilities	\$ 18,112	\$ -	\$ 18,112
Due to Other Funds	11,119	-	11,119
Due to Private Purpose Trusts	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Liabilities	<u>34,231</u>	<u>-</u>	<u>34,231</u>
NET POSITION			
Restricted for Other Purposes	<u>128,356</u>	<u>5,000</u>	<u>133,356</u>
Total Net Position	<u>128,356</u>	<u>5,000</u>	<u>133,356</u>
Total Liabilities and Net Position	<u>\$ 162,587</u>	<u>\$ 5,000</u>	<u>\$ 167,587</u>

See Accompanying Independent Auditors' Report and Notes to Financial Statements.

WEST VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

Schedule 6

Additions

Gifts and Donations	\$ 8,700
Interest Earned	<u>6,153</u>
Total Additions	<u>14,853</u>

Deductions

Scholarships Awarded	<u>5,700</u>
Total Deductions	<u>5,700</u>

Change in Net Position	9,153
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Net Position - Beginning of Year	<u>124,203</u>
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Net Position - End of Year	<u><u>\$ 133,356</u></u>
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See Accompanying Independent Auditors' Report and Notes to Financial Statements.

WEST VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

Schedule 7

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash				
Unrestricted Cash	\$ 1,713,577	\$ -	\$ -	\$ 1,713,577
Restricted Cash	5,719,701	-	-	5,719,701
Receivables				
Accounts Receivable, Other	2,855	-	-	2,855
State and Federal Aid Receivable	238,192	-	-	238,192
Due from Other Funds	1,714,231	-	(1,714,231)	-
Due from Fiduciary Funds	11,119	-	-	11,119
Due from Other Governments	550,520	-	-	550,520
Inventories	5,820	-	-	5,820
Net Pension Asset, TRS Proportionate Share	-	439,821	-	439,821
Capital Assets, Net	-	8,228,879	-	8,228,879
Total Assets	9,956,015	8,668,700	(1,714,231)	16,910,484
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - OPEB	-	1,321,654	-	1,321,654
Deferred Outflows - ERS	-	223,017	-	223,017
Deferred Outflows - TRS	-	1,066,087	-	1,066,087
Total Deferred Outflows of Resources	-	2,610,758	-	2,610,758
Total Assets and Deferred Outflows of Resources	\$ 9,956,015	\$ 11,279,458	\$ (1,714,231)	\$ 19,521,242
LIABILITIES				
Payables				
Accounts Payable	\$ 165,379	\$ -	\$ -	\$ 165,379
Accrued Liabilities	33,997	5,137	-	39,134
Student Deposits	22,194	-	-	22,194
Due to Other Funds	1,714,231	-	(1,714,231)	-
Due to Other Governments	65	-	-	65
Due to Employees' Retirement System	41,322	-	-	41,322
Due to Teachers' Retirement	296,181	-	-	296,181
Unearned Credits				
Unearned Revenues	74,658	-	-	74,658
Long-Term Liabilities				
Bonds Payable	-	2,500,000	-	2,500,000
Premium on Serial Bonds	-	281,502	-	281,502
Net Pension Liability, ERS Proportionate Share	-	346,935	-	346,935
Compensated Absences	-	335,706	-	335,706
Postemployment Benefits Payable - OPEB	-	4,461,668	-	4,461,668
Total Liabilities	2,348,027	7,930,948	(1,714,231)	8,564,744
Deferred Inflows of Resources				
Deferred Inflows - OPEB	-	1,808,397	-	1,808,397
Deferred Inflows - ERS	-	35,987	-	35,987
Deferred Inflows - TRS	-	549,231	-	549,231
Total Deferred Inflows of Resources	-	2,393,615	-	2,393,615
FUND BALANCE/NET POSITION	7,607,988	954,895	-	8,562,883
Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position	\$ 9,956,015	\$ 11,279,458	\$ (1,714,231)	\$ 19,521,242

Reconciliation:

Total Fund Balance/Net Position - Governmental Funds **\$ 7,607,988**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported as assets in governmental funds. Capital assets consist of the following at year end:

Cost of the assets including right-to-use assets	18,646,054	
Accumulated depreciation and amortization	(10,417,175)	8,228,879

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

Teachers' Retirement System	956,677	
Employees' Retirement System	(159,905)	796,772

Liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

Accrued interest payable	(5,137)	
Premium on Serial Bonds	(281,502)	
Bonds payable	(2,500,000)	
Compensated absences	(335,706)	
Postemployment benefits - OPEB (GASB 75)	(4,948,411)	(8,070,756)

Total Net Position - Governmental Activities **\$ 8,562,883**

See Accompanying Independent Auditors' Report and Notes to Financial Statements.

WEST VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Schedule 8

	Total Governmental Funds	Long-Term Debt Transactions	Capital Related Items	Reclassification and Eliminations	Statement of Activities Total
Revenues					
Real Property Taxes	\$ 2,782,293	\$ -	\$ -	\$ -	\$ 2,782,293
Other Tax Items	636,643	-	-	-	636,643
Charges for Services	32,641	-	-	(32,641)	-
Use of Money and Property	218,796	-	-	-	218,796
Sale of Property and Compensation for Loss	17,182	-	-	-	17,182
Miscellaneous	124,886	-	-	(22,852)	102,034
State Sources	5,670,114	-	-	(71,542)	5,598,572
Medicaid Reimbursements	8,753	-	-	-	8,753
Federal Sources	445,737	-	-	(445,737)	-
Sales (Cafeteria)	8,291	-	-	(8,291)	-
Total Revenues	9,945,336	-	-	(581,063)	9,364,273
Expenditures					
General Support	1,955,717	(93,440)	-	347,691	2,209,968
Instruction	4,120,275	(420,899)	(27,492)	1,678,294	5,350,178
Pupil Transportation	549,804	(46,066)	(102,814)	220,066	620,990
Community Services	-	-	-	-	-
Employee Benefits	2,175,057	(40,374)	-	(2,134,683)	-
Debt Service - Principal	205,000	(205,000)	-	-	-
Debt Service - Interest	134,900	(46,910)	-	-	87,990
Cost of Sales	159,102	-	-	(149,963)	9,139
Capital Outlay	239,915	-	(239,915)	-	-
Depreciation and Amortization	-	-	542,468	(542,468)	-
Total Expenditures	9,539,770	(852,689)	172,247	(581,063)	8,278,265
Excess Revenues Over (Under) Expenditures	405,566	852,689	(172,247)	-	1,086,008
Other Sources and (Uses)					
Interfund Revenues	100,000	-	-	(100,000)	-
Interfund Expenditures	(100,000)	-	-	100,000	-
Total Other Sources (Uses)	-	-	-	-	-
Net Change For the Year	\$ 405,566	\$ 852,689	\$ (172,247)	\$ -	\$ 1,086,008

Reconciliation:

Total net change in fund balances - Governmental Funds **\$ 405,566**

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

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense is more than capital outlays, adjusted for the dispositions and other adjustments in the period.

Capital Outlays	370,221	
Depreciation and Amortization Expense	(542,468)	(172,247)

Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. The proceeds of permanent financing is a revenue in the governmental funds, but the debt increases long-term liabilities in the Statement of Net Position. Repayment by the General Fund of temporary financing is a revenue in the Capital Fund in the Governmental Funds, but the repayment reduces liabilities in the Statement of Net Position.

Repayment of Serial Bonds Principal		205,000
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(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities to provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the government funds.

Teachers' Retirement System	1,265	
Employees' Retirement System	39,109	40,374

Interest expense is an expenditure in the Governmental Funds when paid. However, in the Statement of Activities, interest is recorded on the accrual basis.		46,910
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(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.		14,100
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On the Statement of Activities, the actual and projected long-term expenditures for post employment benefits are reported, whereas, on the government funds only the actual expenditures are recorded for post employment benefits.		546,305
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Change in net assets of Governmental Activities **\$ 1,086,008**

**WEST VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the **West Valley Central School 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. The cash and investment balances are reported in the General Fund of the District. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds are included at the end of these financial statements.

B. Joint Venture

The **West Valley Central School District** is a component school district in the Cattaraugus-Allegany Board of Cooperative Education Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year ended June 30, 2025, the **West Valley Central School District** was billed \$1,696,986 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2025, the **West Valley Central School District** issued no serial bonds on behalf of BOCES. As of June 30, 2025, the District had no outstanding BOCES debt.

General-purpose financial statements for Cattaraugus-Allegany BOCES are available from the BOCES administrative office.

The District's share of BOCES aid and services refunds amounted to \$721,734.

C. Basis of Presentation

1. District-wide statements:

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

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

2. Fund financial statements:

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

The District reports the following major Governmental Funds.

General - is the general operating fund and is used to account for all financial transaction except those required to be accounted for in another fund.

Capital Projects - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported separately or in the aggregate.

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

Cafeteria – is used to account for the operations of the cafeteria. Inventory of purchased food is stated at cost, determined on the first in-first out basis.

Debt Service - is used to account for the accumulation of resources and the payment of general long-term principal and interest on long-term general obligation debt of governmental activities.

3. Fiduciary Fund Types:

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

Private purpose trust funds: These funds are used to account for trust arrangements in which income benefits annual third-party awards and scholarships for students.

Custodial funds: These funds are strictly custodial in nature. Assets are held by the District as agent for various student groups or scholarships.

D. Basis of Accounting and Measurement Focus

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

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

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

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

E. Property Taxes

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31. Taxes were collected during the period September 1, 2024 through October 31, 2024.

2. Enforcement

Uncollected real property taxes are subsequently enforced by the County of Cattaraugus. An amount representing uncollected real property taxes transmitted to the County for the enforcement is paid by the County to the School District no later than the following April 1.

F. Restricted Resources

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

G. Interfund Transactions

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The Governmental Funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying Governmental Funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note V, Interfund Transactions, for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates

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

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments are stated at fair value.

J. Receivables

All receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories and Prepaid Items

Inventories of food in the Cafeteria 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 inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

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

L. Other Assets

In the District-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. In the fund statements these same costs are recognized as an expense in the period incurred.

M. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2002. For assets acquired prior to June 30, 2002, estimated historical costs, based on an appraisal were used. Donated assets are reported at estimated fair market value at the time received.

The District's capitalization threshold, the dollar value above which asset acquisitions are added to the capital asset accounts, is \$5,000. Capitalization thresholds, depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight-Line	40
Building Improvements	5,000	Straight-Line	20-40
Site Improvements	5,000	Straight-Line	15-20
Furniture and Equipment	5,000	Straight-Line	5-15
Vehicles	5,000	Straight-Line	8

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. If applicable, the District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Government-Wide Statement of Net Position.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The fourth item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position 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. If applicable, the District has four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and 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. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the District-Wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O. Unearned Revenue

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

P. Vested Employee Benefits – Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last in-first out (LIFO) basis. Teachers are paid annually \$100 for each unused sick day in excess of 180 days if the District has employed them for 25 or more years.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-Wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

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

Q. Other Benefits

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

The District offers its employees a deferred compensation plan created in accordance with the Internal Revenue Service Code Section 403(b) – Tax Sheltered Annuities. The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' plan administrator. The plans are owned by the individuals and held in trust by the plan administrator. The District has a fiduciary responsibility for the funds withheld and remittance to trustees. The assets in the plan remain the property of the District until paid subject only to the claims of the District's creditors.

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

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. In certain cases, the cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditure.

R. Short-Term Debt

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

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

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

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

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

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

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

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

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

Funds Statements

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

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory recorded in the Cafeteria Fund of \$5,820.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The School District has established the following restricted fund balances:

1. Unemployment Insurance Reserve

According to General Municipal Law Section 6-m, the reserve must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess of fund over sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund and was \$424,096 as of June 30, 2025.

2. Reserve for Debt Service

According to General Municipal Law Section 6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. This reserve is accounted for in the Debt Service Fund and was \$579,959 as of June 30, 2025.

3. Capital Reserves

According to General Municipal Law Section 3651, the reserves must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of capital reserve funds require authorization by a majority of the voters establishing the purpose of the reserves, the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. 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. During the year ended June 30, 2022 the voters approved a resolution to establish an additional Capital Improvement Reserve Fund in an amount up to \$1,500,000 of which \$633,084 was funded during the year ended June 30, 2022, and the balance of \$866,916 during the year ended June 30, 2023. During the year ended June 30, 2025, a bond resolution and an emergency resolution were approved to transfer a total of \$1,376,479 from the General Fund reserves to the Capital Fund reserves. The General Fund reserves are reported under Restricted Fund Balance and were \$0 and \$389,876 as of June 30, 2025. The Capital Fund reserves are reported under Restricted Fund Balance and was \$1,046,100 as of June 30, 2025.

During the year ended June 30, 2021, the voters approved a resolution to establish a Transportation Reserve of \$750,000. Expenditures may be made from the reserve only for a specific purpose, further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of the Education Law. During the year ended June 30, 2025, \$102,814 of this reserve was utilized for the purchase of a bus. This reserve is accounted for in the General Fund under Restricted Fund Balance and was \$266,502 as of June 30, 2025.

4. Employee Benefit Accrued Liability Reserve

According to General Municipal law Section 6-p, the reserve must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund and was \$812,031 as of June 30, 2025.

5. Tax Certiorari Reserve

According to Education Law Section 3651.1a, the reserve must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the General Fund and was \$0 as of June 30, 2025.

6. Retirement Contribution Reserves

According to General Municipal Law Section 6-r, the reserves must be used for the purpose of financing retirement contributions. The Retirement Contribution reserve must be accounted for separately and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve is accounted for in the General Fund and was \$2,014,039 as of June 30, 2025.

During the year ended June 30, 2019, the Board approved a resolution to establish a TRS Reserve as a sub-fund to the Retirement Contribution Reserve. Annual contributions to this sub-fund may not exceed 2% of the total compensation paid during the prior fiscal year to teachers employed by the District who are members of retirement system. The balance in the sub-fund may not exceed 10% of the total compensation paid during the prior fiscal year to teachers employed by the District who are members of retirement system. The reserve is accounted for in the General Fund and was \$296,756 as of June 30, 2025.

7. Workers' Compensation Reserve

According to General Municipal Law Section 6-m, the reserve must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for the payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. There were no payments out of the reserve during the year ended June 30, 2025. The Reserve is accounted for in the General Fund and was \$177,470 as of June 30, 2025.

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

Assigned - Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. General Fund encumbrances were \$0 as of June 30, 2025. In addition, the amount of \$746,639 has been appropriated to reduce taxes in the subsequent year. The Cafeteria Fund assigned fund balance was \$32,085.

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District and could report a surplus or a deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned. The total unassigned fund balance of the District as of June 30, 2025 was \$816,615.

NYS Real Property Tax Law Section 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the school district's budget for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation as well as amounts appropriated for the subsequent year and encumbrances. As of June 30, 2025, the District's unassigned fund balance exceeded the allowed 4%.

Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined firsthand then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U. New Accounting Standards

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable including the following:

-GASB Statement No. 101, *Compensated Absences*, effective for the District for the year ending June 30, 2025. This statement clarifies what is considered unused leave balances for employees. Under this statement, compensated absences should be recognized as liabilities on the government-wide statements for leave that has not been used and leave that has been used but not yet paid or settled.

-GASB Statement No. 102, *Certain Risk Disclosures*, is effective for the District for the year ending June 30, 2025. This statement requires disclosures of certain concentrations or constraints that may have significant negative effects on the District. Concentrations are defined as significant inflows or outflows of resources that lack diversity. Constraints include limitations imposed by external parties or by the Board of Education.

V. Future Changes in Accounting Standards

-GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for the District for the year ending June 30, 2026. This statement attempts to improve key components of the financial reporting model by limiting management's discussion and analysis to five specific topics, requiring separate presentation of unusual or infrequent items, and requiring that budgetary comparisons be presented as required supplementary information.

The District will evaluate the impact that any new pronouncement may have on its financial statements and will implement them as applicable and when material.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

A) Total fund balances of Governmental Funds vs. net assets of governmental activities:

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

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

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

i) Long-term revenue differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) OPEB differences:

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund which is required to have a legal (appropriated) budget adopted.

The voters of the District approved the proposed appropriation budget for the General Fund for the year ended June 30, 2025.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2025.

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

Encumbrances

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

Unassigned Fund Balance

The portion of the District's fund balance subject to the New York State Real Property Tax Law Section 1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to address this issue include reviewing its options with regards to reservation and designation of fund balance.

Deficit Fund Balance

The District did not have any Funds with a deficit fund balance as of June 30, 2025.

Special Aid Fund

Individual budgets are all adopted based on each federal, state, and local grant award. Transfers among budgetary line items are made as deemed necessary after approval by the grantor agency. Appropriations lapse at the end of the grant period versus the District's fiscal year end.

IV. CASH AND CASH EQUIVALENTS-CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the District may not recover its deposits. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase interest bearing demand deposits, certificates of deposit, obligations of the United States Treasury and United States Agencies and obligations of New York State and its localities.

The District's aggregate bank balances included balances not covered by depository insurance at year-end, collateralized as follows: (A) none, (B) \$2,565,420.

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

In addition to the above bank balances, the District also participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. Total investment at the cooperative as of June 30, 2025 was \$4,882,010. The District owns a pro rata share of the underlying collateral consisting of \$44,426 in FDIC insured bank deposits, \$155,736 in collateralized bank deposits, \$1,321,560 in collateralized repurchase agreements and \$3,360,288 in collateralized U.S. Treasury Securities, with various interest rate and due dates. The cost of the investment pool shares are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral agreements. Additional information concerning the cooperative is presented in the annual report of New York Cooperative Liquid Assets Securities System (NYCLASS).

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of June 30, 2025 includes \$5,719,701 within the Governmental Funds and \$162,587 in the fiduciary funds.

V. INTERFUND TRANSACTIONS

Interfund balances at June 30, 2025 are as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 111,525	\$1,326,697	\$ -	\$ 100,000
Special Aid Fund		91,658	-	-
Cafeteria Fund	-	8,748	-	-
Debt Service Fund	287,128	-	-	-
Capital Projects Fund	<u>1,326,697</u>	<u>287,128</u>	<u>100,000</u>	<u>-</u>
Total Governmental Funds	1,725,350	1,714,231	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Fiduciary	<u>-</u>	<u>11,119</u>		
Totals	<u>\$ 1,725,350</u>	<u>\$1,725,350</u>		

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The District transferred \$100,000 from the General Fund to the Capital Projects Fund during the fiscal year ended June 30, 2025 to fund capital projects.

All interfund payables are expected to be repaid within one year.

VI. CAPITAL ASSETS

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

	Balance 6/30/2024	Additions	Retirements/ Reclassifications	Balance 6/30/2025
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 7,500	-	-	\$ 7,500
Construction in Progress	<u>4,593,502</u>	<u>239,915</u>	<u>(369,567)</u>	<u>4,463,850</u>
Capital Assets, Not Being Depreciated/Amortized	<u>4,601,002</u>	<u>239,915</u>	<u>(369,567)</u>	<u>4,471,350</u>
Capital Assets, Being Depreciated/Amortized:				
Buildings and Improvements	12,011,499	369,567	-	12,381,066
Right to Use Assets	132,433	27,492	(39,662)	120,263
Furniture and Equipment	737,462	-	-	737,462
Vehicles	<u>1,088,547</u>	<u>102,814</u>	<u>(255,448)</u>	<u>935,913</u>
Capital Assets, Being Depreciated/Amortized	<u>13,969,941</u>	<u>499,873</u>	<u>(295,110)</u>	<u>14,174,704</u>
Less Accumulated Depreciation/Amortization:				
Buildings and Improvements	8,911,356	376,057	-	9,287,413
Right to Use Assets	68,207	26,491	(39,662)	55,036
Furniture and Equipment	556,576	23,391	-	579,967
Vehicles	<u>633,678</u>	<u>116,529</u>	<u>(255,448)</u>	<u>494,759</u>
Total Accumulated Depreciation/Amortization	<u>10,169,817</u>	<u>542,468</u>	<u>(295,110)</u>	<u>10,417,175</u>
Capital Assets, Being Depreciated/Amortized, Net	<u>3,800,124</u>	<u>(42,595)</u>	<u>-</u>	<u>3,757,529</u>
Governmental Activities Capital Assets, Net	<u>\$8,401,126</u>	<u>\$ 197,320</u>	<u>\$(369,567)</u>	<u>\$8,228,879</u>

Depreciation/Amortization expense was charged to governmental functions as follows:

General Support	\$ 90,449
Instructional	407,427
Pupil Transportation	<u>44,592</u>
Total Depreciation/Amortization Expense	<u>\$542,468</u>

VII. SHORT-TERM DEBT

a. Bond Anticipation Notes

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

b. Short-Term Debt Interest

Interest on short-term debt for the year was composed of:

Interest paid	\$ -
Less: interest accrued in the prior year	-
Plus: interest accrued in the current year	-
Total interest expense on short-term debt	<u>\$ -</u>

c. There was no short-term debt activity during the year.

VIII. LONG-TERM DEBT OBLIGATIONS

a. Debt Limit

At June 30, 2025, the total outstanding indebtedness represented approximately 11% of its debt limit.

b. Long-Term Debt Interest

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

Interest paid	\$134,900
Less: interest accrued in the prior year	(5,544)
Less: bond premium amortization	(46,503)
Plus: interest accrued in the current year	<u>5,137</u>
Total interest expense on long-term debt	<u>\$ 87,990</u>

c. Long-Term liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Issued / Additions	Retired / Reductions	Ending Balance	Amounts Due Within One Year
Serial Bonds	\$ 2,705,000	\$ -	\$ 205,000	\$ 2,500,000	\$ 140,000
Premium on Serial Bonds	328,005	-	46,503	281,502	-
Bonds Payable, Net	<u>3,033,005</u>	<u>-</u>	<u>251,503</u>	<u>2,781,502</u>	<u>140,000</u>
Other Long-Term Liabilities:					
Net Pension Liability	497,799	-	150,864	346,935	-
Compensated Absences	349,806	-	14,100	335,706	50,000
Accrued Post-Employment Benefits	3,941,420	520,248	-	4,461,668	328,934
Total Other Liabilities	<u>4,789,025</u>	<u>520,248</u>	<u>164,964</u>	<u>5,144,309</u>	<u>378,934</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 7,822,030</u>	<u>\$ 520,248</u>	<u>\$ 416,467</u>	<u>\$ 7,925,811</u>	<u>\$ 518,934</u>

d. Maturity

1) The following is a summary of existing long-term liabilities:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2025
Serial Bond including premium	2023	2038	5.00%	<u>\$ 2,781,502</u>
Compensated Absences	N/A	N/A	N/A	<u>\$ 335,706</u>
Accrued Post-Employment Benefits	N/A	N/A	N/A	<u>\$ 4,461,668</u>
Net Pension Liability	N/A	N/A	N/A	<u>\$ 346,935</u>

2) The following is a summary of maturing long-term debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 140,000	\$125,000	\$ 265,000
2027	145,000	118,000	263,000
2028	155,000	110,750	265,750
2029	165,000	103,000	268,000
2030	170,000	94,750	264,750
2031-2035	1,000,000	336,250	1,336,250
2036-2038	725,000	73,750	798,750
No fixed repayment schedule	<u>5,144,309</u>	<u>-</u>	<u>5,144,309</u>
Total	<u>\$7,644,309</u>	<u>\$ 961,500</u>	<u>\$8,605,809</u>

e. Debt Issuance Costs, Premium and Amortization

Net premiums resulting from bond refinancing are being amortized over the life of the related debt. These premiums are accordingly included in the outstanding principal balance of the bonds. Debt issuance costs related to the bonds are expensed in accordance with GASB 65.

IX. PENSION PLANS

General Information

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

Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report 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 NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystsr.org.

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

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. The District chose to prepay the required contributions by December 15, 2024 and received a discount of \$878.

Contributions were as follows:

Year	ERS	TRS
2025	\$ 122,156	\$ 274,707
2024	109,724	271,345
2023	93,996	268,570

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

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

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
District's proportionate share of the net pension asset/(liability)	\$ (346,935)	\$ 439,821
District's portion of the Plan's total net pension asset/(liability)	0.0020234%	0.014741%
Change in proportion since prior measurement date	12,414	603,099

For the year ended June 30, 2025, the District's recognized pension expense (credit) of \$258,289 for TRS and \$94,308 for ERS. At June 30, 2025 the District's 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>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 86,112	\$ 473,607	\$ 4,062	\$ -
Changes of assumptions	14,550	263,102	-	44,256
Net difference between projected and actual earnings on pension plan investments	27,220	-	-	488,679
Changes in proportion and differences between the District's contributions and proportionate share of contributions	53,813	65,706	31,925	16,296
Subtotal	181,695	802,415	35,987	549,231
District's contributions subsequent to the measurement date	41,322	263,672	-	-
Total	<u>\$ 223,017</u>	<u>\$ 1,066,087</u>	<u>\$ 35,987</u>	<u>\$ 549,231</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(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:

Year ended June 30,	<u>ERS</u>	<u>TRS</u>
2026	\$ 76,185	\$ (210,546)
2027	94,770	552,299
2028	(27,946)	(77,538)
2029	2,699	(91,893)
2030	-	60,751
2031	-	20,111
	<u>\$ 145,708</u>	<u>\$ 253,184</u>

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate	5.9%	6.95%
Salary scale	4.3%	1.95% - 5.18%
Inflation rate	2.9%	2.4%
COLA's	1.5%	1.3%

For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021 for June 30, 2024 and June 30, 2023, 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, 2024 valuation are based on the results of an actuarial valuation as of June 30, 2023. For ERS, the actuarial assumptions used in the March 31, 2025 valuation are based on a roll forward procedure to advance the liability calculated using system assumptions and member demographics from the actuarial valuation completed as of April 1, 2024.

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 below:

	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
			March 31, 2025	June 30, 2024
Measurement date				
<u>Asset Class:</u>				
Domestic Equities	25.00%	33.00%	3.54%	6.60%
International Equities	14.00%	15.00%	6.57%	7.40%
Private Equities	15.00%	9.00%	7.25%	10.00%
Global Equities	-	4.00%	-	6.90%
Real Estate Equities	12.00%	11.00%	4.95%	6.30%
Opportunistic Funds/ARS	3.00%	-	5.25%	-
Real Assets	4.00%	-	5.55%	-
Bonds and Mortgages	22.00%	-	2.00%	-
Cash	1.00%	-	0.25%	-
Credit	4.00%	-	5.40%	-
Domestic Fixed Income Securities	-	16.00%	-	2.60%
Global Fixed Income Securities	-	2.00%	-	2.50%
High Yield Fixed Income Securities	-	1.00%	-	4.80%
Private Debt Fixed Income	-	2.00%	-	5.90%
Real Estate Debt Fixed Income	-	6.00%	-	3.90%
Cash Equivalents	-	1.00%	-	0.50%
	<u>100.00%</u>	<u>100.00%</u>		

Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset (liability)	<u>\$(1,004,074)</u>	<u>\$(346,935)</u>	<u>\$201,776</u>

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS Employer's proportionate share of the net pension asset (liability)	<u>\$(2,031,559)</u>	<u>\$439,821</u>	<u>\$2,518,318</u>

Pension Plan Fiduciary Net Position

The components of the current year net pension liability of the employers as of the respective measurement dates, were as follows:

	ERS	TRS
Measurement Date	March 31, 2025	June 30, 2025
Employers' total pension liability	\$247,600,239,000	\$142,837,827,000
Plan fiduciary net position	<u>230,454,512,000</u>	<u>145,821,435,000</u>
Employers' net position asset (liability)	<u>\$(17,145,727,000)</u>	<u>\$ 2,983,608,000</u>
Ratio of plan fiduciary net position to the employers' total pension liability	93.08%	102.09%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 will be 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 \$296,181.

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 \$41,322 of employer contributions. Employee contributions are remitted monthly.

X. POSTEMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

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

Inactive employees or their beneficiaries currently receiving benefit payments	31
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>62</u>
Total	<u>93</u>

B. Total OPEB Liability

The District's total OPEB liability of \$4,461,668 as of June 30, 2025 used a June 30, 2024 measurement date and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases:

For support staff employees' payroll growth is based on the NYERS valuation as of March 31, 2023.

For Teachers' and Administrators' payroll growth is based on the NYSTRS valuation as of June 30, 2023.

Years of Service	NYERS	NYSTRS
0	8.80%	12.31%
10	4.18%	4.30%
20	3.30%	2.93%
30	3.30%	2.19%
40	3.30%	1.84%

Discount Rate 4.21%

Healthcare Cost Trend Rates - 7.50% Pre-65 and 6.25% Post-65 for 2025, decreasing 0.50% and 0.25% respectively per year to an ultimate rate of 4.50% for 2032 and later years.

Retirees' Share of Benefit-Related Costs - Retiree contributions are assumed to increase according to health care trend rates.

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2024 with an average rating of AA/Aa or higher tax-exempt, high quality 20-year municipal bonds.

Mortality rates for support staff employees and retirees were based on the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021. Mortality rates for teachers and administrator employees and retirees were based on SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The actuarial valuation reported that the assumptions used in the June 30, 2025 valuation represent a reasonable long-term expectation of future OPEB outcomes. As national economic and District experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

C. Changes in the total OPEB Liability

Balance at June 30, 2024	\$3,941,420
Changes for the Year	
Service cost	\$ 65,475
Interest	158,761
Changes of benefit terms	-
Differences between expected and actual experience	639,487
Benefit payments	(328,934)
Changes in assumptions	<u>(14,541)</u> <u>520,248</u>
Balance at June 30, 2025	<u>\$4,461,668</u>

Changes of assumptions reflect a change in the discount rate from 4.13% in 2024 to 4.21% in 2025 and health care trend rates have been reset to an initial 7.50% decreasing by 0.50% annually to an ultimate 4.50% rate for Pre-65 benefits and an initial rate of 6.25% decreasing by 0.25% to an ultimate rate of 4.50% for Post-65 benefits.

Sensitivity of the total OPEB Liability to changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	3.21% 1% Decrease	4.21% Discount Rate	5.21% 1% Increase
Total OPEB Liability	<u>\$4,786,728</u>	<u>\$4,461,668</u>	<u>\$4,171,911</u>

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

	Healthcare 1% Decrease	Cost Trend Rates	1% Increase
	6.50%	7.50%	8.50%
	Decreasing to	Decreasing to	Increasing to
	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Total OPEB Liability	<u>\$4,183,690</u>	<u>\$4,461,668</u>	<u>\$4,772,700</u>

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

For the year ended June 30, 2025, the District recognized OPEB expense (recovery) of \$(104,395). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 548,132	\$(1,473,612)
Contributions subsequent to the measurement date	441,910	-
Changes of assumptions	<u>331,612</u>	<u>(334,785)</u>
Total	<u>\$1,321,654</u>	<u>\$(1,808,397)</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended 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 follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$(319,248)
2027	(339,493)
2028	(218,462)
2029	(218,461)
2030	77,734
Thereafter	<u>89,274</u>
Total	<u>\$928,653</u>

XI. RISK MANAGEMENT

1. General Information

The **West Valley Central School District** is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance. Settled claims from these risks have not materially exceeded commercial insurance coverage for the past two years. Management does not believe that any ultimate settlement of outstanding claims that existed as of June 30, 2025, will result in a District expense that is material to the financial statements.

2. Medical Insurance

The **West Valley Central School District** incurs costs related to an employee health insurance plan sponsored by the Cattaraugus-Allegany BOCES and its component districts. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage and to develop a comprehensive loss control program. There is no required minimum period of membership; a member may withdraw from the plan at any time by timely notification to the Board of Directors of the Plan. Plan members include 22 districts, with the **West Valley Central School** bearing a less than 2% share of the Plan's assets and claims liabilities.

Plan members are subjected to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability for the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenditures in the periods in which they are made. During the year ended June 30, 2025, the **West Valley Central School District** incurred premiums or contribution expenditures totaling approximately \$1,378,414 for the 2024-2025 plan year. Payments of claims and claim adjustment expenses attributable to insured events of the current fiscal year and prior fiscal years were unavailable from the claim administrators.

3. Workers' Compensation and General and Liability Plans

The **West Valley Central School District** is a participant in the Cattaraugus-Allegany BOCES Self-Funded Workers' Compensation Plan and Liability and Casualty Plan, public entity risk pools operated for the benefit of 22 individual governmental units located within Cattaraugus and Allegany Counties of New York State. The District pays an annual premium to the plans for this insurance coverage. During the year ended June 30, 2025, the West Valley Central School District incurred premiums or contribution expenditures totaling \$12,896 for workers' compensation and \$65,844 for liability and casualty. The Plans are considered self-sustaining risk pools that will provide coverage for its members. **West Valley Central School District** has essentially transferred all related risk to the Plans. As of June 30, 2025, a reserve amounting to \$177,470 has been provided for in the General Fund to pay future workers' compensation claims.

4. Unemployment Insurance

The **West Valley Central School District** provides unemployment insurance through direct billings from the New York State Unemployment Insurance Fund. The liability for unasserted claims, if any, has not been recognized as a liability and is deemed immaterial. As of June 30, 2025, a reserve amounting to \$424,096 has been provided for in the General Fund to pay future claims.

XII. COMMITMENTS AND CONTINGENCIES

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for return of funds. Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, would not be material.

In the normal course of operations, the District is a party to various claims and/or litigation. A review by legal counsel reported two contingencies regarding pending or threatened litigation, claims and assessments, asserted or probable to be asserted. Management believes these matters will not have a material effect on the District's financial position and results of operations.

XIII. LEASE OBLIGATIONS

BOCES leases technology equipment to the District and amortizes the leases over a five year period with no amortization in the year of acquisition. The District pays for the full cost of the equipment at the time of acquisition.

During the year ended June 30, 2025 the District acquired \$27,492 of new leased equipment for cash from BOCES. As of June 30, 2025 the original cost of these assets totaled \$120,263 with amortization expense of \$26,491 and accumulated amortization of \$55,036 as of June 30, 2025.

XIV. DONOR-RESTRICTED ENDOWMENTS

The District administers endowment funds, which are restricted by the donor for the purposes of scholarships.

Donor-restricted endowments are reported as cash and cash equivalents. The amount of donor-restricted endowments that is available for authorization for expenditure by the District is \$128,356 and there is also \$5,000 in non-expendable endowment funds.

The District administers expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

XV. RELATED PARTY TRANSACTIONS

There were no material related party transactions noted during the year ended June 30, 2025.

XVI. TAX ABATEMENTS AND PAYMENTS IN LIEU OF TAX (PILOT)

In December 1980 a property reverted to the New York State Energy Research and Development Authority (NYSERDA) and became tax exempt. The District receives state assistance pursuant to Section 19-b of the Public Lands Law as long as the property is owned by the State. The District received a Payment in Lieu of Tax (PILOT) of \$280,046 on this property during the year ended June 30, 2025. The District also received \$28,492 during the year ended June 30, 2025 for a PILOT program for another property in the District that will be exempt from property taxes until December 31, 2034 through the Cattaraugus County Industrial Development Agency.

XVII. SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the Statement of Net Position through the date of September 30, 2025 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

WEST VALLEY CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Supplementary Schedule 1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance With Budgetary Actual</u>
Revenues				
Local Sources				
Real Property Taxes	\$ 2,783,664	\$ 2,783,664	\$ 2,782,293	\$ (1,371)
Other Tax Items	622,028	622,028	636,643	14,615
Charges for Services	30,000	30,000	32,641	2,641
Use of Money and Property	215,000	215,000	215,399	399
Sales of Property and Compensation for Loss	1,100	1,100	17,182	16,082
Miscellaneous	119,000	119,000	102,034	(16,966)
Interfund Revenues	-	-	-	-
Total Local Sources	3,770,792	3,770,792	3,786,192	15,400
State Sources	5,332,169	5,332,169	5,475,876	143,707
Federal Sources	-	-	-	-
Medicaid Reimbursements	20,000	20,000	8,753	(11,247)
Total Revenues	9,122,961	9,122,961	9,270,821	147,860
Other Financing Sources				
Transfers from Other Funds	-	-	-	-
Total Revenues and Other Financing Sources	9,122,961	9,122,961	\$ 9,270,821	\$ 147,860
Appropriated Fund Balance	755,494	755,494		
Appropriated Reserves - Encumbrances	-	57,044		
Total Revenues, Other Sources and Appropriated Fund Balance	\$ 9,878,455	\$ 9,935,499		
EXPENDITURES				
General Support				
Board of Education	\$ 31,069	\$ 32,755	\$ 27,053	\$ 5,702
Central Administration	198,368	230,386	199,693	30,693
Finance	341,268	346,106	315,613	30,493
Staff	292,500	297,341	267,092	30,249
Central Services	936,000	1,040,964	916,462	124,502
Special Items	140,500	142,894	131,116	11,778
Total General Support	1,939,705	2,090,446	1,857,029	233,417
Instructional				
Administration and Improvement	268,700	315,700	255,922	59,778
Teaching - Regular School	1,975,300	2,047,266	1,964,871	82,395
Programs for Students with Disabilities	843,500	896,850	789,089	107,761
Occupational Education	133,578	133,578	126,732	6,846
Teaching - Special School	36,980	36,980	14,420	22,560
Instructional Media	355,850	342,229	237,647	104,582
Pupil Services	543,954	579,533	431,823	147,710
Total Instructional	4,157,862	4,352,136	3,820,504	531,632
Other Expenditures				
Pupil Transportation	654,588	690,003	549,804	140,199
Community Services	-	-	-	-
Employee Benefits	2,676,400	2,353,014	2,175,057	177,957
Debt Service				
Debt Service - Principal	205,000	205,000	205,000	-
Debt Service - Interest	134,900	134,900	134,900	-
Total Other Expenditures	3,670,888	3,382,917	3,064,761	318,156
Total Expenditures	9,768,455	9,825,499	8,742,294	1,083,205
Other Financing Uses				
Transfers to Other Funds	110,000	110,000	100,000	10,000
Total Expenditures and Other Uses	9,878,455	9,935,499	8,842,294	\$ 1,093,205
Excess (Deficit) of Total Revenues and Other Financing Sources				
Over Total Expenditures and Other Uses	(755,494)	(812,538)	428,527	
Capital Reserve Fund Balance Transfer	-	-	(1,376,479)	
Fund Balance - Beginning	6,891,976	6,891,976	6,891,976	
Fund Balance - Ending	\$ 6,136,482	\$ 6,079,438	\$ 5,944,024	

Note to Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

WEST VALLEY CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2025

Supplementary Schedule 2

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
OPEB Liability									
Total OPEB Liability - beginning of year	\$ 3,941,420	\$ 4,166,244	\$ 6,250,878	\$ 7,049,165	\$ 6,942,293	\$ 6,992,417	\$ 8,051,528	\$ 8,866,107	\$ 7,923,155
Service Cost	65,475	62,188	118,090	116,358	128,205	119,988	121,042	139,746	109,419
Interest	158,761	165,420	135,755	185,660	241,489	267,933	283,640	257,095	304,917
Changes of benefit terms	-	-	76,922	-	-	-	-	-	-
Changes in assumptions	(14,541)	64,193	(564,061)	272,370	1,169,820	239,266	(660,509)	(549,990)	900,500
Differences between expected and actual experience	639,487	(145,019)	(1,509,289)	(998,551)	(1,048,351)	(295,555)	(389,364)	(256,076)	-
Benefit Payments	(328,934)	(371,606)	(342,051)	(374,124)	(384,291)	(381,756)	(413,920)	(405,354)	(371,884)
Net change in total OPEB liability	520,248	(224,824)	(2,084,634)	(798,287)	106,872	(50,124)	(1,059,111)	(814,579)	942,952
Total OPEB liability - end of year	\$ 4,461,668	\$ 3,941,420	\$ 4,166,244	\$ 6,250,878	\$ 7,049,165	\$ 6,942,293	\$ 6,992,417	\$ 8,051,528	\$ 8,866,107
Plan Fiduciary Net Position									
Plan Fiduciary net position - beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employer	328,934	371,606	342,051	374,124	384,291	381,756	413,920	405,354	371,884
Contributions - retired members	-	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments	(328,934)	(371,606)	(342,051)	(374,124)	(384,291)	(381,756)	(413,920)	(405,354)	(371,884)
Trust administrative expenses	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Plan Fiduciary net position - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - end of year	\$ 4,461,668	\$ 3,941,420	\$ 4,166,244	\$ 6,250,878	\$ 7,049,165	\$ 6,942,293	\$ 6,992,417	\$ 8,051,528	\$ 8,866,107
Plan fiduciary net position as % of total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 3,150,477	\$ 3,452,077	\$ 3,367,880	\$ 3,510,047	\$ 3,424,436	\$ 3,407,597	\$ 3,324,485	\$ 3,325,117	\$ 3,282,445
Net OPEB liability as % of covered payroll	141.6%	114.2%	123.7%	178.1%	205.8%	203.7%	210.3%	242.1%	270.1%

Notes to Required Supplementary Information

1. No assets are accumulated in a trust that meet the definition in paragraph 4 of GASB No. 75.
2. 10 years of historical information will not be available upon implementation.
An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See Paragraph on Supplementary Schedules Included in Auditors' Report.

**WEST VALLEY CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
NYSTRS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2025**

Supplementary Schedule 3

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 274,707	\$ 271,345	\$ 268,570	\$ 251,865	\$ 243,835	\$ 291,836	\$ 266,348	\$ 314,504	\$ 334,506	\$ 450,290
Contributions in relation to the contractually required contribution	274,707	271,345	268,570	251,865	243,835	291,836	266,348	314,504	334,506	450,290
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-employee payroll	2,814,621	2,636,973	2,740,510	2,642,864	2,752,084	2,747,988	2,717,836	2,650,175	2,523,077	2,571,397
Contributions as a percentage of covered-employee payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.87%	13.26%	17.51%

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
NYSERS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 122,156	\$ 108,941	\$ 93,996	\$ 117,584	\$ 106,770	\$ 102,326	\$ 95,418	\$ 98,778	\$ 89,471	\$ 116,876
Contributions in relation to the contractually required contribution	122,156	108,941	93,996	117,584	106,770	102,326	95,418	98,778	89,471	116,876
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-employee payroll	864,416	881,266	842,148	743,869	752,041	721,345	648,858	638,839	579,214	555,602
Contributions as a percentage of covered-employee payroll	14.13%	12.36%	11.16%	15.81%	14.20%	14.19%	14.71%	15.46%	15.45%	21.04%

See Paragraph on Supplementary Schedules Included in Auditors' Report.

**WEST VALLEY CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY(ASSET) - TEACHERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

Supplementary Schedule 4

Measurement Date	Year Ended June 30,		2023	2022	2021	2020	2019	2018	2017	2016
	2025	2024								
	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 proportion of the net pension liability (asset)	<u>0.014741%</u>	<u>0.014278%</u>	<u>0.015470%</u>	<u>0.015571%</u>	<u>0.016214%</u>	<u>0.016463%</u>	<u>0.016685%</u>	<u>0.016348%</u>	<u>0.016348%</u>	<u>0.017100%</u>
District's proportionate share of the net pension liability (asset)	<u>\$ (439,821)</u>	<u>\$ 163,278</u>	<u>\$ 296,847</u>	<u>\$ (2,698,271)</u>	<u>\$ 448,046</u>	<u>\$ (427,717)</u>	<u>\$ (301,713)</u>	<u>\$ (128,715)</u>	<u>\$ 175,094</u>	<u>\$ (1,776,165)</u>
District's covered employee- payroll	<u>\$ 2,814,621</u>	<u>\$ 2,636,973</u>	<u>\$ 2,740,510</u>	<u>\$ 2,642,864</u>	<u>\$ 2,752,084</u>	<u>\$ 2,747,988</u>	<u>\$ 2,717,836</u>	<u>\$ 2,650,175</u>	<u>\$ 2,523,077</u>	<u>\$ 2,571,397</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>-15.6%</u>	<u>6.2%</u>	<u>10.8%</u>	<u>-102.1%</u>	<u>16.3%</u>	<u>-15.6%</u>	<u>-11.1%</u>	<u>-4.9%</u>	<u>6.9%</u>	<u>-69.1%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>102.09%</u>	<u>99.17%</u>	<u>98.57%</u>	<u>113.25%</u>	<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>100.46%</u>

**WEST VALLEY CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY(ASSET) - EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

Measurement Date	Year Ended June 30,		2023	2022	2021	2020	2019	2018	2017	2016
	2025	2024								
	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)	<u>0.0020234%</u>	<u>0.0022719%</u>	<u>0.0024119%</u>	<u>0.0022474%</u>	<u>0.0018418%</u>	<u>0.0020368%</u>	<u>0.0019173%</u>	<u>0.0020197%</u>	<u>0.0018370%</u>	<u>0.0020342%</u>
District's proportionate share of the net pension liability (asset)	<u>\$ 346,935</u>	<u>\$ 334,521</u>	<u>\$ 517,211</u>	<u>\$ (183,715)</u>	<u>\$ 1,834</u>	<u>\$ 539,348</u>	<u>\$ 135,846</u>	<u>\$ 65,185</u>	<u>\$ 172,613</u>	<u>\$ 326,491</u>
District's covered employee- payroll	<u>\$ 864,416</u>	<u>\$ 881,266</u>	<u>\$ 842,148</u>	<u>\$ 743,869</u>	<u>\$ 752,041</u>	<u>\$ 743,869</u>	<u>\$ 752,041</u>	<u>\$ 638,839</u>	<u>\$ 579,214</u>	<u>\$ 555,602</u>
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>40.1%</u>	<u>38.0%</u>	<u>61.4%</u>	<u>-24.7%</u>	<u>0.2%</u>	<u>72.5%</u>	<u>18.1%</u>	<u>10.2%</u>	<u>29.8%</u>	<u>58.8%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.08%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>

See Paragraph on Supplementary Schedules Included in Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

WEST VALLEY CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL PROJECTS FUND -
PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2025

Supplementary Schedule 5

Project Title	Number	Original Appropriation	Revised Appropriation	Expenditures to Date			Unexpended Balance	Methods of Permanent Financing to Date				Fund Balance (Deficit) June 30, 2025
				Prior Years'	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Educational building 2021	04-02-04-04-0-001-015	\$ 3,875,000	\$ 3,875,000	\$ 3,868,453	\$ -	\$ 3,868,453	\$ 6,547	\$ 2,745,000	\$ -	\$ 1,043,173	\$ 3,788,173	\$ (80,280)
Vehicles	N/A	N/A	N/A	-	-	-	N/A	-	-	9	9	9
Capital Improvement Project 24	04-02-04-04-0-001-019	6,095,000	6,095,000	9,536	161,241	170,777	5,924,223	-	-	1,376,479	1,376,479	1,205,702
Capital Outlay Project 24/25	04-02-04-04-0-001-020	100,000	100,000	-	78,674	78,674	21,326	-	-	-	-	(78,674)
Smart Schools Bond Act	04-02-04-04-7-999-001	436,946	436,946	436,936	-	436,936	10	-	436,279	-	436,279	(657)
Totals		\$10,506,946	\$ 10,506,946	\$ 4,314,925	\$ 239,915	\$ 4,554,840	\$ 5,952,106	\$ 2,745,000	\$ 436,279	\$ 2,419,661	\$ 5,600,940	\$ 1,046,100

**WEST VALLEY CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2025**

Supplementary Schedule 6

I. CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET -GENERAL FUND

Adopted Budget	\$ 9,878,455
Additions - Encumbrances from Prior Year	<u>57,044</u>
Original Budget	9,935,499
Budget Revision	<u>-</u>
Final Budget June 30, 2025	<u>\$ 9,935,499</u>

II. SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 Adopted Budget	<u>\$ 10,132,000</u>
Maximum Allowed 4% of 2025-26 Budget	<u>\$ 405,280</u>
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance	
Committed Fund Balance	\$ -
Assigned Fund Balance	746,639
Unassigned Fund Balance	<u>816,615</u>
Total Unrestricted Fund Balance	<u>1,563,254</u>
Less	
Appropriated Fund Balance	746,639
Encumbrances Included in Committed and Assigned Fund Balance	<u>-</u>
Total Adjustments	<u>746,639</u>
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 816,615</u>
Actual Percentage	<u>8.06%</u>

See Paragraph on Supplementary Schedules Included in Auditors' Report.

WEST VALLEY CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2025

Supplementary Schedule 7

Capital Assets, Net		\$ 8,228,879
Deduct:		
Premium on Serial Bonds	281,502	
Serial Bonds Payable	<u>2,500,000</u>	<u>2,781,502</u>
 Investment in Capital Assets, Net of Related Debt		 <u><u>\$ 5,447,377</u></u>

See Paragraph on Supplementary Schedules Included in Auditors' Report.



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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**

To the Board of Education
West Valley Central School District
West Valley, New York 14171

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 and each major fund of the West Valley Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the West Valley Central School District's basic financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the West Valley Central School District's internal control over financial reporting to determine the 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 West Valley Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Valley Central School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Valley Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item B.2025-001.

Purpose of this Report

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

R. A. MERCER & CO., P.C.

R. A. Mercer & Co. P.C.

Springville, New York
September 30, 2025

**WEST VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

Year ended June 30, 2025

There were no financial statement audit findings for the fiscal year ended June 30, 2025.

Year ended June 30, 2024

There were no financial statement audit findings for the fiscal year ended June 30, 2024.

B. COMPLIANCE AND OTHER MATTERS

Year ended June 30, 2025

2025-001 Unassigned Fund Balance and Fund Balance Reserves

Conditions and Criteria: West Valley Central School District's General Fund unassigned fund balance as of June 30, 2025 amounted to \$816,615. This amount constitutes approximately 8.06% of the 2025-2026 school budget.

Cause and Effect: The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Auditors' Recommendation: West Valley Central School District should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance. We recommend that the District document its rationale to support the purpose and dollar level of reserves and to ensure it is in compliance with New York State guidelines.

School District's Response: West Valley Central School District realizes that its unassigned fund balance as of June 30, 2025 was in excess of the New York State mandated 4% level. The District has and will continue to review its options with regards to reservation and designation of fund balance.

Year ended June 30, 2024

There were no financial statement audit findings for the fiscal year ended June 30, 2024.

EXTRACLASSROOM ACTIVITY FUNDS



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INDEPENDENT AUDITORS' REPORT

To the Board of Education
West Valley Central School District
West Valley, New York 14171

Opinion

We have audited the accompanying statement of assets and liabilities arising from cash transactions and the statement of revenues collected and expenses paid of the Extraclassroom Activity Fund of the **West Valley Central School District** as of and for the year ended June 30, 2025, and the related notes to the financial statements.

In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to receipts referred to in the basis for qualified opinion paragraph, the financial statements referred to above present fairly, in all material respects, the recorded cash transactions of the Extraclassroom Activity Fund of the **West Valley Central School District** as of and for the year ended June 30, 2025, on the basis of accounting described in Note 1.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Extraclassroom Activity Fund of the **West Valley Central School District**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matter Giving Rise to the Qualified Opinion

The records of the Extraclassroom Activity Fund of **West Valley Central School District** were not adequate to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

R. A. MERCER & CO., P.C.

R. A. Mercer & Co. P.C.

Springville, New York
September 30, 2025

WEST VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
EXTRACLASROOM ACTIVITY FUND
AS OF JUNE 30, 2025

Supplementary Schedule 8

ASSETS

Cash, Checking	\$ 22,194
Total Assets	<u>\$ 22,194</u>

LIABILITIES AND FUND BALANCE

Extraclassroom Activity Balances	\$ 22,194
Total Liabilities	<u>22,194</u>
Fund Equity	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 22,194</u>

See accompanying independent auditors' report and notes to the Extraclassroom Activity Fund financial statements.

WEST VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES COLLECTED AND EXPENSES PAID
EXTRACLASROOM ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2025

Supplementary Schedule 9

	<u>Balances</u> <u>6/30/24</u>	<u>Total Receipts</u> <u>2024-2025</u>	<u>Total Payments</u> <u>2024-2025</u>	<u>Balances</u> <u>6/30/25</u>
EXTRACLASROOM ACCOUNTS				
Class of 2024	\$ 1,218	\$ -	\$ 1,218	\$ -
Class of 2025	2,179	21,920	24,099	-
Class of 2026	2,207	761	105	2,863
Class of 2027	800	590	30	1,360
Class of 2028	-	439	-	439
Band	5,958	1,773	1,469	6,262
Chorus	1,868	230	-	2,098
GSA Club	50	145	-	195
ICC	833	-	-	833
SADD	2,702	2,925	2,788	2,839
Sales Tax Account	506	503	602	407
Student Council	519	4,295	2,924	1,890
Yearbook	3,332	3,232	3,556	3,008
Totals	<u><u>\$ 22,172</u></u>	<u><u>\$ 36,813</u></u>	<u><u>\$ 36,791</u></u>	<u><u>\$ 22,194</u></u>

See accompanying independent auditors' report and notes to the Extraclassroom Activity Fund financial statements.

**WEST VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO THE EXTRACLASSROOM ACTIVITY FUND
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are not considered part of the reporting entity of **West Valley Central School District**. Consequently, such transactions are not included in the general purpose financial statements of the School District. However, for the year ended June 30, 2025, cash and corresponding liabilities of the Extraclassroom Activity Fund are being included in the Trust and Agency balance sheet.

The books and records of the **West Valley Central School District's** Extraclassroom Activities Fund are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenses are recognized when cash is disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statements.

**WEST VALLEY CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
FINDINGS AND EVALUATIONS
FOR THE YEAR ENDED JUNE 30, 2025**

I. Following is a discussion of the nonmaterial findings and evaluations discovered in our examination of the extraclassroom activities fund:

Inactive Activity Funds and Former Student Account

During our audit we noted that one activity fund (ICC) had no activity during the current and prior two fiscal years and appears to be inactive. We recommend that activities which are deemed to be inactive be closed out and transferred to another activity fund in accordance with the District's policy.

School District's Response: The District will encourage all student groups to have active clubs during the school year. If there are student groups that no longer are active, the District will close the organization and transfer the remaining funds as dictated by Board Policy.

II. **Prior Year Findings**

The prior year finding regarding former student accounts did not occur again during the year ended June 30, 2025.



R. A. MERCER & CO., P.C.
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Raymond A. Mercer, CPA 1931-1983

Kenneth S. Frank, CPA
Roger J. Lis, CPA
Christopher M. Zera, CPA

Management Letter

To the Board of Education
West Valley Central School District
West Valley, New York 14171

In planning and performing our audit of the financial statements of **West Valley Central School District** for the year ended June 30, 2025 we considered the School District's internal control structure to plan our auditing procedures in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. For the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters, which are not considered to be reportable conditions, (significant deficiencies in the design or operation of the internal control structure) but which we feel are opportunities for the School District to strengthen its internal control structure. This letter does not affect our report dated September 30, 2025, on the financial statements of **West Valley Central School District**. Our comments and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Payroll Liability Account Reconciliations

During our audit we noted several small miscellaneous payroll liability accounts that were not reconciled on a regular basis. We recommend that the District take steps to ensure that all payroll liability accounts be reconciled on a monthly basis.

School District's Response: The District will implement procedures to ensure that all payroll liability accounts be reconciled monthly.

Repayment of Interfund Balances

During our audit we noted that several interfund balances have not been repaid on a timely basis. We recommend that the District take steps to ensure all interfund balances are repaid within one year.

School District's Response: The District will implement procedures to ensure that all interfund balances are repaid within one year.

Capital Assets

During our audit we noted that the District has not added significant capital items to the appraisal report and depreciation schedule for recent capital projects. We recommend that the District work with its appraisal company to identify any assets that may need to be added to or deleted from the appraisal report and depreciation schedules. In the future, an important step in the capital assets process is to report all additions and disposals to the appraisal company on an annual basis and review the report once updated to ensure it is complete.

School District's Response: The District will work with the appraisal company to identify any assets that may need to be added to or deleted from the appraisal report and depreciation schedules

Bank Reconciliations

During our audit we noted that several bank reconciliations needed to be updated for additional reconciling items noted during the audit. We recommend that the District take steps to ensure all bank reconciliations are properly and timely prepared and reconciled to the general ledger on a monthly basis.

School District's Response: The District will implement procedures to ensure that all bank reconciliations are prepared properly and timely and reconciled to the general ledger.

The above comments were also reported in the prior year management letter.

We would like to acknowledge the cooperation received from the Business Office personnel and thank all school personnel for the assistance provided to us during the course of our examination.

This management letter is intended for the information of the School Board, management, New York State Department of Education and all applicable federal agencies. However, this report is a matter of public record and its distribution is not limited.

R. A. MERCER & CO., P.C.

R. A. Mercer & Co. P.C.

Springville, New York
September 30, 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 West Valley Central School District, Cattaraugus County, New York (the “Issuer”) in connection with the issuance of its \$3,800,000 Bond Anticipation Notes, 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 the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of [June 30, 2026].

WEST VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK

By: SPECIMEN
President of the Board of Education

(SEAL)

ATTEST:

SPECIMEN
District Clerk