

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 15, 2026

NEW / RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Harris Beach Murtha Cullina PLLC, Bond Counsel to the School District, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the School District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the School District, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes and is not an "item of tax preference" for purposes of the federal alternative minimum tax imposed on individuals. However, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

The Notes will be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$1,258,065

**LE ROY CENTRAL SCHOOL DISTRICT
GENESEE AND LIVINGSTON COUNTIES, NEW YORK**

GENERAL OBLIGATIONS

**\$1,258,065 Bond Anticipation Notes, 2026 Series A
(the "Notes")**



Dated: May 7, 2026

Due: May 7, 2027

The Notes are general obligations of the Le Roy Central School District, Genesee and Livingston Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. **The Notes are NOT subject to redemption prior to maturity.**

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

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$8,065. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Harris Beach Murtha Cullina PLLC, Bond Counsel, Pittsford, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), or about May 7, 2026.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on April 23, 2026 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sales. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

April __, 2026

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – C, UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS" HEREIN.



LE ROY CENTRAL
SCHOOL DISTRICT

GENESEE AND LIVINGSTON COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

JACALYN WHITING
President



DENISE DUTHE
Vice President

CHRISTINE DOWELL
RACHAEL GREENE
JASON KARCHER
PETER LOFTUS
WILLIAM MACKENZIE

* * * * *

MERRITT HOLLY
Superintendent of Schools

BRIAN FOELLER
Business Administrator

TERESA McMULLEN
Treasurer

LORI WROBEL
District Clerk



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors

HARRIS BEACH MURTHA
ATTORNEYS AT LAW

HARRIS BEACH MURTHA CULLINA PLLC
Bond Counsel

No person has been authorized by the Le Roy Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the 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 Le Roy Central School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
LE ROY CENTRAL SCHOOL DISTRICT
GENESEE AND LIVINGSTON COUNTIES, NEW YORK
Relating To
\$1,258,065 Bond Anticipation Notes, 2026 Series A

This Official Statement, which includes the cover page, has been prepared by the Le Roy Central School District, Genesee and Livingston Counties, New York (the "School District" or "District", "County", or "Counties" and "State", respectively) in connection with the sale by the District of \$1,258,065 principal amount of Bond Anticipation Notes, 2026 Series A (the "Notes").

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

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

THE NOTES

Description of the Notes

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

The Notes are dated May 7, 2026 and mature, without option of prior redemption, on May 7, 2027. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued, at the option of the purchaser(s) in either (i) registered certificated form registered in the name of the purchaser, with a single note certificate being issued for those Notes bearing interest at the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate, or (ii) as registered book-entry-only form, and, if so issued, registered in the name of Cede & Co. as nominee of the Depository Trust Company ("DTC"), which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

If the Notes are registered in the name of the purchaser, principal and interest on the Notes shall be payable at the office of the School District Clerk, Le Roy, New York, who will act as Paying Agent for the Notes, or at the option of a purchaser at such bank or banks located or authorized to do business in New York, as may be designated by such purchaser(s). Any applicable bank fees shall be the responsibility of such purchaser(s).

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Authority for and Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and various bond resolutions of the District authorizing the issuance of serial bonds to finance the purchase of school buses and other transportation vehicles and related equipment for the District.

The proceeds of the Notes, together with \$355,627 available funds of the District, will redeem and renew, in part, \$1,113,692 bond anticipation notes maturing May 8, 2026 and also provide \$500,000 in new money for the purchase of school buses.

NATURE OF THE OBLIGATION

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

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

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

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

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

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

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

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

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644

(1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note 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, 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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note 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.

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

DTC may discontinue providing its services as depository with respect to the 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 transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

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 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 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 under Certain Circumstances

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$8,065. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District, founded in 1890, covers the Towns of Le Roy, Stafford, Bergen and Pavilion, located in Genesee County, and the Town of Caledonia, located in Livingston County. The District covers approximately 40 square miles. The District is served by New York State Route 5, U.S. Route 20 and the New York State Thruway. Bus service is available in the Village of Le Roy, with rail and air transportation available in Rochester and Buffalo.

Although the District is primarily rural in nature, only a small percentage of its residents are employed in agriculture. Major employers of District residents include Genesee County, United Memorial Medical Center, Batavia City School District, Le Roy Central School District and Lapp Insulators LLC. Residents also commute to Rochester for employment.

Water and sewer services are provided by the Monroe County Water Authority, although some residents have private wells and septic systems. Electricity is provided by the National Grid Corporation and natural gas by Rochester Gas and Electric Corporation. Telephone service is provided by Frontier Communications of Rochester. Police protection is provided by the Village of Le Roy, supplemented by each County Sheriffs' Departments and the New York State Police. Various volunteer organizations provide ambulance service and fire protection.

The District provides public education for grades K-12, although a small portion of the school age students attend a local parochial school. Higher educational opportunities are available at the nearby Genesee Community College and at the many colleges and universities in the Rochester and Buffalo areas.

District residents are afforded all the usual commercial services, primarily in the Village of Le Roy, and many recreational facilities are available nearby in the Finger Lakes Region and at Letchworth State Park.

Source: District Officials.

District Population

The 2024 estimated population of the District is 8,526. (Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year estimates data)

Larger Employers

The following are the five larger employers located within or in close proximity to the District.

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Genesee County	Government	900
United Memorial Medical Center	Hospital	600
Batavia City School District	Public School	400
Le Roy Central School District	Public School	225
Lapp Insulator	Manufacturer	100

Source: District officials.

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 the Counties listed below. The figures set below with respect to such Towns and Counties are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties 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:						
Bergen	\$ 23,985	\$ 30,405	\$ 39,250	\$ 63,409	\$ 88,229	\$ 96,806
Le Roy	25,179	30,560	37,268	64,000	76,863	84,915
Pavilion	26,862	31,959	41,525	69,911	85,125	112,375
Stafford	30,425	32,377	37,594	75,347	86,563	106,406
Caledonia	25,486	32,681	42,740	72,262	81,667	113,182
Counties of:						
Genesee	24,323	30,846	37,602	60,127	76,818	92,178
Livingston	22,923	30,523	37,593	63,539	75,384	96,552
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 Community Survey 5-Year data estimates.

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 District) are the Counties. The information set forth below with respect to the Counties is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties is necessarily representative of the District, or vice versa.

	<u>Annual Averages</u>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Genesee County	3.8%	7.2%	4.3%	3.2%	3.2%	3.2%	N/A
Livingston County	4.2%	7.1%	4.6%	3.5%	3.5%	3.5%	N/A
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%

	<u>2025-26 Monthly Figures</u>											
	<u>2025</u>						<u>2026</u>					
	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Genesee County	2.8%	2.5%	2.7%	3.1%	3.4%	3.2%	N/A	3.3%	3.5%	4.3%	N/A	N/A
Livingston County	3.1%	2.9%	3.2%	3.6%	3.8%	3.7%	N/A	3.6%	3.9%	4.8%	N/A	N/A
New York State	3.8%	3.8%	4.1%	4.8%	4.9%	4.7%	N/A	4.4%	4.3%	4.7%	N/A	N/A

Note: Unemployment rates for the months of October 2025, February and March 2026 and annual averages for 2025 are not available as of the date of this Official Statement.

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

Form of District Government

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

The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

Budgetary Procedures and Recent Budget Votes

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, 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 School 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). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Votes

The budget for the 2024-25 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 276 yes to 93 no. The adopted budget included a 0% tax levy increase, which was within the District’s tax levy limit of 1.9% for the 2024-25 fiscal year.

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 275 yes to 92 no. The adopted budget included a 1.25% tax levy increase, which was equal to the District’s tax levy limit of 1.25% for the 2025-26 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the 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 of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the 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 District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

The District does not invest in so-called “derivatives” including reverse purchase agreements, which are not authorized investments for municipalities and school districts in the State.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 64.0% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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 (See also “MARKET AND RISK FACTORS”).

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 the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. 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 aid to 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.

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

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

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

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. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 preliminary building aid ratios, the District expects to receive State building aid of approximately 88.60% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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.

State aid history:

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2021-2022): The State's 2021-22 Enacted 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 included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, 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 were allocated to expand full-day kindergarten programs. Under the budget, school districts were 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 also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$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, was 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 allocated \$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's 2022-23 Enacted Budget increased 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.

School district fiscal year (2023-2024): 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 was included to establish 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.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever at that time (assuming the State aid amount agreed to as described in the following paragraphs is the amount ultimately enacted). This represented an increase of \$1.3 billion compared to the 2023-24 school year and included a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured 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 authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Enacted Budget includes approximately \$37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of \$1.7 billion. The State's 2025-26 Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. As part of the 2025-26 Enacted State Budget, the Governor and Legislature made targeted adjustments to the Foundation Aid formula. While the formula itself remains largely intact, the budget includes a hold harmless provision ensuring that no district receives less Foundation Aid than in the prior year. Additionally, all districts are guaranteed at least a 2% year-over-year increase in Foundation Aid. The enacted budget also includes formula modifications intended to provide enhanced support for high-need and disadvantaged 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.

The State's 2026-27 Executive Budget includes \$39.3 billion in State funding to school districts for the 2026-27 school year, an estimated year-to-year funding increase of \$1.6 billion. The State's 2026-27 Executive Budget includes \$27 billion in Foundation Aid, an increase of \$779 million from 2025-26, and includes a 1% minimum increase in Foundation Aid to all school districts. The State's 2026-27 Executive Budget also includes an increase of \$561 million in Universal Pre-Kindergarten Aid to ensure universal full-day Pre-K for all four-year-olds in the State by the start of the State's 2029 fiscal year.

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York (“CFE”) 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 CFE 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 CFE 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 CFE 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 CFE 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 reached an agreement to settle and discontinue the NYSER 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 CFE cases, and had 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 State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

A breakdown of currently anticipated Foundation Aid funding is outlined below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 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: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.
- FY 2027 Executive Budget: \$27 billion in Foundation Aid, an increase of \$779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State’s 2025-26 Budget also made a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2025-26 fiscal year comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-2021	\$ 26,086,669	\$ 14,645,805	56.14%
2021-2022	26,933,373	15,519,327	57.62
2022-2023	27,736,895	16,145,662	58.21
2023-2024	30,765,965	18,989,405	61.72
2024-2025	32,371,034	20,429,123	63.11
2025-2026 (Budgeted)	31,535,588 ⁽²⁾	20,196,938	64.04

⁽¹⁾ Does not include interfund transfers.

⁽²⁾ Does not include \$500,000 of appropriated fund balance.

Source: 2020-21 through 2024-25 audited financial statements and 2025-26 adopted budget (unaudited) of the District. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Wolcott Street School and Clarence Lapp Building	K-3	945	1924, '67, '93, 2003, 2008, 2014
Trigon Park Building	4-6	633	1908, '93, 2003, 2008, 2014
Le Roy Jr/Sr High School	7-12	840	2003, 2008, 2014

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	1,186	2026-27	1,100
2022-23	1,188	2027-28	1,105
2023-24	1,170	2028-29	1,105
2024-25	1,117	2029-30	1,105
2025-26	1,100	2030-31	1,100

Source: District officials.

Employees

The District employs approximately 190 full-time and 25 part-time employees. The number of employees represented by unions, the names of the collective bargaining agents and the contract expiration dates are as follows:

<u>Number</u>	<u>Union</u>	<u>Contract Expiration Date</u>
135	Le Roy Teachers' Association	June 30, 2028
45	Local 200, Service Employees' Union	June 30, 2029

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement 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 benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members (other than those in Tier V and VI, as described below) working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. 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 and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

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 State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members. The Governor and Legislative leaders have publicly discussed changes to Tier VI. There is no way to predict as of the date whether the Legislature will adopt, and the Governor will sign into law, changes to Tier VI.

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 321,245	\$ 868,214
2021-2022	285,895	884,978
2022-2023	318,933	920,824
2023-2024	291,253	1,001,602
2024-2025	254,476	1,092,110
2025-2026 (Budgeted)	320,420	1,040,648

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually. Although permitted by recently enacted laws, the District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

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 currently does not have early retirement incentive programs.

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 employer contribution rates as a percent of payroll (2020-21 to 2026-27) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59
2026-27	17.6	8.24*

* Estimated. Final contribution rate expected to be adopted at the July 29, 2026 TRS Retirement Board meeting.

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 authorized local governments, 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 Rate Pension Contribution Option”). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but 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, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve 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 has since established a TRS reserve fund.

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

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by 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, disability benefits and OPEB consist 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. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District’s to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with The Burke Group to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability for the 2024 and 2025 fiscal years, by source.

Balance ending at:	<u>June 30, 2023</u>	<u>June 30, 2024</u>
	<u>\$ 1,118,444</u>	<u>\$ 1,197,190</u>
<u>Changes for the year:</u>		
Service cost	27,535	26,749
Interest on total OPEB liability	38,384	42,678
Changes in Benefit Terms	-	-
Differences between expected and actual experience	152,127	54,305
Changes in Assumptions or other inputs	(8,766)	(19,274)
Benefit payments	<u>(130,534)</u>	<u>(151,622)</u>
Net Changes	<u>\$ 78,746</u>	<u>\$ (47,164)</u>
Balance ending at:	<u>June 30, 2024</u>	<u>June 30, 2025</u>
	<u>\$ 1,197,190</u>	<u>\$ 1,150,026</u>

Source: Audited financial reports of the District. For additional information see “APPENDIX - D” attached hereto. The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and has been filed with the Electronic Municipal Market Access (“EMMA”) website. It is also attached hereto as “APPENDIX-C” to this Continuing Disclosure Statement. Certain financial information of the School District can also be found attached as Appendices to the Continuing Disclosure Statement.

The District complies with the Uniform System of Accounts as prescribed for Districts in New York State by the 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 Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

The State Comptroller’s Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State’s school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System (“FSMS”) to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State’s school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district’s ST-3 report filed with the State Education Department annually, and each municipality’s annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality 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 classification of the District for the 2020-21 through 2024-25 fiscal years are as follows:

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

Additional information regarding the Fiscal Stress Monitoring System can be found by visiting the Fiscal Stress Monitoring System section of the Office of the State Comptroller website.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

New York State Comptroller Reports 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. State Comptroller's audits of the District published in the past five years are summarized below.

The most recent State Comptroller audit report of the District dated September 30, 2022 was to determine whether the District Board and District officials properly established and used reserve funds and maintained them at reasonable levels for the period July 1, 2018 through June 10, 2022. Key Findings and recommendations of the audit report are summarized below.

Key Findings:

Although the Board and District officials properly established reserve funds that have balances totaling \$3 million, they did not comply with the District's reserve policy or transparently fund reserves. In addition, the Board did not take an active role in managing and overseeing reserve fund activity and did not transparently use or maintain all reserves at reasonable levels.

The Board and District officials:

- Established an inadequate reserve policy. The District's reserve policy did not provide transparency or define the purpose, optimal funding level, and/or conditions under which reserves would be used and replenished.
- Could not demonstrate that \$2 million held in four reserves was reasonable or needed. For example, as of June 30, 2021, the unemployment insurance reserve totaled \$658,000, enough to pay average annual unemployment expenditures for more than 200 years, and the employee benefit accrued liability reserve was overfunded by \$426,000.

Key Recommendations:

- Adopt a comprehensive written reserve fund policy and comply with the policy.
- Transparently fund reserves and maintain needed reserves at reasonable levels. District officials agreed with our recommendations and indicated they have initiated or planned to initiate corrective action.

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

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

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

Other Information

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

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

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

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

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

TAX INFORMATION

Taxable Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Le Roy	\$ 373,093,615	\$ 456,897,517	\$ 388,409,676	\$ 547,686,987	\$ 546,697,073
Stafford	65,572,722	78,847,931	79,077,278	79,835,023	79,215,811
Bergen	1,973,658	2,205,199	2,201,309	2,404,176	2,784,168
Pavilion	2,716,234	3,304,531	3,331,519	3,767,386	4,210,994
Caledonia	1,664,378	1,987,319	2,009,186	2,035,682	2,028,750
Total Assessed Values	\$ 445,020,607	\$ 543,242,497	\$ 475,028,968	\$ 635,729,254	\$ 634,936,796
State Equalization Rates					
Towns of:					
Le Roy	92.00%	83.00%	76.50%	93.00%	93.00%
Stafford	100.00%	100.00%	98.00%	90.00%	86.00%
Bergen	100.00%	100.00%	100.00%	100.00%	100.00%
Pavilion	92.00%	100.00%	96.00%	100.00%	100.00%
Caledonia	93.00%	100.00%	99.00%	94.00%	89.00%
Total Taxable Full Valuation	\$ 477,825,000	\$ 636,823,916	\$ 596,117,289	\$ 685,953,501	\$ 689,232,380

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Le Roy	\$ 24.10	\$ 26.65	\$ 23.38	\$ 16.72	\$ 16.82
Stafford	22.18	19.63	18.25	17.27	16.64
Bergen	22.18	19.63	17.89	15.55	15.64
Pavilion	24.10	19.63	18.63	15.55	15.64
Caledonia	23.85	19.63	18.06	16.54	16.64

Source: District officials.

Tax Collection Procedure

Taxes are payable to the School District Tax Collector during the month of September without penalty. Payments made after September 30, carry a penalty of 2%. The last day of tax collection is October 31. Unpaid taxes are returned to the respective County Treasurers on November 15 for re-levy on respective County/Town tax rolls.

The Counties reimburse the District for all unpaid taxes in April of the year following the year of levy, and the District is thus assured of 100% collection of its annual levy.

Tax Levy and Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 10,597,025	\$ 10,667,160	\$ 10,667,160	\$ 10,667,160	\$ 10,800,072
Amount Uncollected ⁽¹⁾	328,210	414,687	421,638	421,353	321,622
% Uncollected	3.10%	3.89%	3.95%	3.95%	2.98%

⁽¹⁾ The District is assured 100% collections. See "Tax Collections Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the last five completed fiscal years and the budgeted figures for the 2025-26 fiscal year comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2020-2021	\$ 26,086,669	\$ 10,496,643	40.24%
2021-2022	26,933,373	10,622,410	39.44
2022-2023	27,736,895	10,714,949	38.63
2023-2024	30,765,965	10,693,731	34.76
2024-2025	32,371,034	10,690,742	33.03
2025-2026 (Budgeted)	31,535,588 ⁽²⁾	10,828,650	34.34

⁽¹⁾ Does not include interfund transfers.

⁽²⁾ Does not include \$500,000 of appropriated fund balance.

Source: 2020-21 through 2024-25 audited financial statements and 2025-26 adopted budget (unaudited) of the District. This table is not audited.

Ten Largest Taxpayers - 2025 Assessment Roll for 2025-26 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
Niagara Mohawk dba National Grid	Utility	\$ 23,028,257
Rochester Gas & Electric	Utility	13,086,183
Hy-Hope Farms Inc	Agriculture	5,722,100
Howitt Enterprises-Le Roy LLC	Housing	5,152,200
Lapp Insulators LLC	Industry	5,500,200
Leroy TK Owner	Shopping Center	4,284,000
Ocelot Union LLC	Senior Living	4,280,000
Ten Munson Street Realty	Reality	3,950,000
Le Roy Meadows Assoc	Housing	3,370,000
Le Roy Commons LLC	Housing	2,200,000

The ten larger taxpayers listed above have a total taxable assessed valuation of \$70,572,940 that represents 11.1% of the tax base of the District.

The District experiences the impact of tax certiorari filings on a regular basis for which the District has a tax certiorari reserve to cover. At this time, the level of tax certiorari filings are within acceptable norms and are not anticipated to have a material impact on the District's finances.

Source: District officials.

STAR – School Tax Exemption

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 \$107,300 or less for the 2025-26 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 for the 2025-26 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2015-16 school year (generally, March 1, 2015), and the property was granted a STAR exemption on that assessment roll. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2015-16 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount of the STAR exemption remains the same each year, while the amount of the STAR credit can increase up to two percent annually.

\$1,253,411 of the District’s \$10,664,179 school tax levy for the 2024-25 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

\$1,122,299 of the District’s \$10,781,073 school tax levy for the 2025-26 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2026.

Additional Tax Information

Real property located in the District is assessed by the towns.

Senior citizens' exemptions are offered to those who qualify.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$4,789 including State, County, Town, Village, School District and Fire District Taxes. Amount was calculated without the State STAR exemption.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget 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”).

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, 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, applicable to the Notes.

See "State Aid" for a discussion of the *New Yorkers for Students' Educational Rights v. State of New York* case which includes a challenge to the supermajority requirements regarding school district property tax increases.

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. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate 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 such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under “NATURE OF OBLIGATION,” 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. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness, however, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See “TAX LEVY LIMITATION LAW” herein).

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

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

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

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

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District complied with this estoppel procedure in connection with the bond resolution under which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

In general, statutory law in New York 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 of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See “Payment and Maturity” under “Constitutional Requirements” herein, and “Details of Outstanding Indebtedness” herein).

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes, in anticipation of the collection of a specific type of revenue, and budget or deficiency notes when necessary.

Debt Outstanding End of Fiscal Year

<u>Fiscal Year Ending June 30th:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 19,975,000	\$ 18,275,000	\$ 16,490,000	\$ 24,435,000	\$ 22,495,000
Bond Anticipation Notes	<u>588,318</u>	<u>6,040,234</u>	<u>12,003,992</u>	<u>998,119</u>	<u>1,113,693</u>
Total Debt Outstanding	<u>\$ 20,563,318</u>	<u>\$ 24,315,234</u>	<u>\$ 28,493,992</u>	<u>\$ 25,433,119</u>	<u>\$ 23,608,693</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of April 15, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2038	\$ 21,645,000
<u>Bond Anticipation Notes</u>		
Buses	May 8, 2026	1,113,692 ⁽¹⁾
2023 Capital Project	July 17, 2026	<u>8,500,000</u>
	Total Indebtedness	<u>\$ 31,258,692</u>

⁽¹⁾ To be redeemed and renewed in part, at maturity, with proceeds of the Notes together with \$355,627 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 15, 2026:

Full Valuation of Taxable Real Property	\$ 689,232,380
Debt Limit 10% thereof	68,923,238
<u>Inclusions:</u>	
Bonds.....	\$ 21,645,000
Bond Anticipation Notes (BANs):.....	<u>9,613,692</u>
Total Inclusions prior to issuance of the Notes	<u>31,258,692</u>
Less: BANs being redeemed from appropriations	(355,627)
Add: New money proceeds of the Notes	<u>500,000</u>
Total Net Inclusions after issuance of the Notes	\$ 31,403,065
<u>Exclusions:</u>	
State Building Aid ⁽¹⁾	\$ <u>0</u>
Total Exclusions.....	\$ <u>0</u>
Total Net Indebtedness <u>after issuance of the Notes</u>	<u>\$ 31,403,065</u>
Net Debt-Contracting Margin	<u>\$ 37,520,173</u>
The percent of debt contracting power exhausted is	45.56%

⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded 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. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2026-27 Building Aid Ratios, the School District anticipates State building aid of 88.6% for debt service on SED approved expenditures from July 1, 2004 to the present. 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 capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Note: The above debt statement summary does not include lease liabilities outstanding, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Cash Flow Borrowings

The District has not issued tax and/or revenue anticipation notes or budget or deficiency notes in the past five fiscal years, and does not reasonably expect to issue any such notes in the foreseeable future.

Other Obligations

The District has entered into various lease purchase agreements to finance one-to-one devices. The following is a schedule of remaining payments due under such agreements as of April 15, 2026:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2026	231,796	13,203
2027	<u>68,500</u>	<u>2,969</u>
Total	<u>\$ 300,296</u>	<u>\$ 16,172</u>

Source: Audited financial statements and District officials. Table itself is not audited.

The indebtedness noted in this section is subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such obligations do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

Capital Project Plans

On December 5, 2023, the qualified voters of the District approved a proposition authorizing the District to undertake a capital improvement project consisting of (i) the construction of alterations, renovations and improvements to the District’s existing buildings and facilities, specifically the Junior/Senior High School, the Bus Garage, and the Wolcott Street School and their associated campuses, including in each case, site improvements for various school purposes and other appurtenant and related improvements, (ii) exterior site work to include the replacement of sidewalks and asphalt, site lighting, athletic field lighting, and one grass field with synthetic turf, and (iii) the acquisition and installation in and around such buildings, facilities and improvements of original furnishings, equipment, machinery, apparatus and technology improvements, and other services incidental thereto at a maximum estimated cost of \$12,516,872, including the expenditure of \$2,700,000 from the District’s Capital Reserve Fund to finance a portion of the Capital Project. To date, the District has issued \$8,500,000 bond anticipation notes pursuant to this authorization, of which \$8,500,000 of such notes are outstanding and will mature on July 17, 2026. On or about July 16, 2026, the District intends to renew the outstanding notes in full and borrow for the remaining amount authorized and unissued in the amount of \$1,316,872.

The District typically issues bond anticipation notes on an annual basis to finance the purchase of buses and/or vehicles. The proceeds of the Notes will be used to finance the purchase of buses and/or vehicles. (See also “THE NOTES – Authority for and Purpose of Issue” herein.)

The District has no other authorized and unissued indebtedness for capital or other purposes at this time.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated indebtedness (consisting of bonds and bond anticipation notes) of the respective municipalities is outlined in the table below:

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:				
Genesee	6/30/2025	\$ 80,350,000	15.39%	\$ 12,365,865
Livingston	11/19/2025	36,325,749	0.04%	14,530
Town of:				
Bergen	12/31/2024	7,215,000	1.02%	73,593
Caledonia	12/31/2024	-	0.57%	-
Le Roy	12/31/2024	1,740,000	95.31%	1,658,394
Pavilion	12/31/2024	1,899,106	1.92%	36,463
Stafford	12/31/2024	4,360,007	38.54%	1,680,347
Village of:				
Le Roy	5/31/2024	8,472,484	100.00%	8,472,484
			Total:	<u>\$ 24,301,676</u>

⁽¹⁾ Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

Note: Gross Indebtedness sourced from local government data provided by the State Comptroller's office. Information regarding applicable exclusions, such as water debt, sewer debt, and budgeted appropriations for the municipalities and state building aid for the school districts is not available from source.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of April 15, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 31,403,065	\$ 3,683.21	4.56%
Net Indebtedness Plus Gross Overlapping Indebtedness ^(d)	55,704,741	6,533.51	8.08

^(a) The 2024 estimated population of the District is 8,526. (See "THE SCHOOL DISTRICT – District Population" herein.)

^(b) The District's full value of taxable real estate for its 2025-26 tax roll is \$689,232,380. (See "TAX INFORMATION – Taxable Valuations" herein.)

^(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.

^(d) Estimated gross overlapping indebtedness is \$24,301,676. (See "Estimated Overlapping Indebtedness" herein.)

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization 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.

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

have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

No Past Due Debt. No principal of or interest on District indebtedness is currently past due. To the best knowledge of current District officers, the District has not defaulted on the payment of the principal of and interest on any indebtedness in the past five years.

MARKET AND RISK FACTORS

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

The financial and economic 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 and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes could be adversely affected.

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

There are a number of general factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the District. Unforeseen developments could also result in substantial increases in District expenditures, thus placing strain on the District’s financial condition. These factors may have an effect on the market price of the Notes.

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

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes 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. Recent global financial crises have included limited periods of significant disruption. 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 bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the District and hence upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

TAX MATTERS

In the opinion of Harris Beach Murtha Cullina PLLC, Bond Counsel to the School District, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for Federal income tax purposes. Bond Counsel is of the further opinion that interest on the Notes is not an "item of tax preference" for purposes of the Federal alternative minimum tax on individuals. However, the Internal Revenue Code of 1986, as amended (the "Code"), imposes a federal corporate alternative minimum tax equal to 15 percent of the "adjusted financial statement income" of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual "adjusted financial statement income" for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt obligations such as the Notes is included in the computation of a corporation's "adjusted financial statement income".

The Code also imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and in certain circumstances, payment of amounts in respect of such proceeds to the Federal government. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the Arbitrage and Use of Proceeds Certificate of the District to be executed in connection with the issuance of the Notes, the District will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad 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 of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The District will designate the Notes as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

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

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to federal, State or local income taxation, or otherwise prevent Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach Murtha Cullina PLLC, Pittsford, New York, Bond Counsel to the District. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount (see “TAX LEVY LIMITATION LAW” herein); provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an “item of tax preference” for purposes of the Federal alternative minimum taxes imposed on individuals, however, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York); and (iv) based upon Bond Counsel’s examination of law and review of the arbitrage and use of proceeds certificate executed by the President of the Board of Education of the District pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificate. Bond Counsel expresses no opinion regarding Federal or State income tax consequences arising with respect to the Notes.

Such legal opinions will also state that in the opinion of Bond Counsel (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel’s engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

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.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to Provide Notices of Certain Events, the form of which is attached hereto as "APPENDIX - C".

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial 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. 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. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale upon approval by the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX-C, UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS" herein.)

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their underlying general obligation bond rating of "A+" with a Stable outlook to the District's outstanding general obligation bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Moody's Ratings ("Moody's") has assigned their short-term rating of "MIG 1" to the District's outstanding \$8,500,000 Bond Anticipation Notes, 2025 Series B (CUSIP# 526799 DR9) dated July 17, 2025 and maturing on July 17, 2026. This rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, Phone: (212) 553-0038.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds and the Notes.

CUSIP IDENTIFICATION NUMBERS

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

MISCELLANEOUS

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.

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

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

Harris Beach Murtha Cullina PLLC, Bond Counsel, Pittsford, New York to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

Concurrently with the delivery of the 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 herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

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

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. 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. Fiscal Advisors & Marketing, 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 District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the 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. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District contact information is as follows: Brian Foeller, Business Administrator, Le Roy Central School District, 2-6 Trigon Park, Le Roy, New York 14482, Phone: (585) 768-8133, Fax: (585) 768-5505, Email: bfoeller@leroycsd.org.

Additional information may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

LE ROY CENTRAL SCHOOL DISTRICT

Dated: April 15, 2026

JACALYN WHITING
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
ASSETS					
Cash and Cash Equivalents	\$ 4,547,940	\$ 5,607,567	\$ 2,049,661	\$ 1,606,695	\$ 3,394,399
Investments	-	-	5,481,296	5,025,543	5,403,691
Accounts Receivables	18,324	5,333	4,825	79,945	3,678
Lease Receivable	-	-	-	-	69,691
Due from Other Funds	1,052,289	2,831,519	785,165	448,397	435,076
Due from Other Governments	647,869	860,001	761,733	1,097,097	1,123,924
Due from State and Federal Governments	487,003	313,455	697,916	740,834	380,973
TOTAL ASSETS	\$ 6,753,425	\$ 9,617,875	\$ 9,780,596	\$ 8,998,511	\$ 10,811,432
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 271,256	\$ 310,357	\$ 431,095	\$ 557,902	\$ 456,525
Accrued Liabilities	103,007	108,060	230,451	111,546	40,554
Employee Retirement Liability	-	-	-	-	166,500
Compensated Absences	-	-	-	-	94,300
Due to Other Funds	180,714	1,917,968	346,157	82,490	493,919
Due to Retirement Systems	991,655	1,064,858	1,156,758	1,160,705	1,274,892
Deferred Inflows of Resources	13,093	19,188	371,391	518,952	125,165
TOTAL LIABILITIES	\$ 1,559,725	\$ 3,420,431	\$ 2,535,852	\$ 2,431,595	\$ 2,651,855
FUND EQUITY					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 62,603
Restricted:	2,980,715	3,156,019	5,319,353	4,051,510	6,093,243
Assigned	576,930	744,050	659,632	629,825	575,044
Unassigned	1,636,055	2,297,375	1,265,759	1,885,581	1,428,687
TOTAL FUND EQUITY	\$ 5,193,700	\$ 6,197,444	\$ 7,244,744	\$ 6,566,916	\$ 8,159,577
TOTAL LIABILITIES and FUND EQUITY	\$ 6,753,425	\$ 9,617,875	\$ 9,780,596	\$ 8,998,511	\$ 10,811,432

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
REVENUES					
Real Property Taxes & Tax Items	\$ 10,496,643	\$ 10,622,410	\$ 10,714,949	\$ 10,693,731	\$ 10,690,742
Charges for Services	25,065	40,153	49,688	55,078	155,423
Use of Money & Property	25,524	22,216	282,864	496,113	402,635
Sale of Property and Compensation for Loss	58,773	49,616	52,460	15,344	2,676
Miscellaneous	505,605	453,657	312,508	384,039	520,848
Gifts and Donations	-	-	-	-	-
Revenues from State Sources	14,645,805	15,519,327	16,145,662	18,989,405	20,429,123
Revenues from Federal Sources	329,254	225,994	178,764	132,255	169,587
Total Revenues	<u>\$ 26,086,669</u>	<u>\$ 26,933,373</u>	<u>\$ 27,736,895</u>	<u>\$ 30,765,965</u>	<u>\$ 32,371,034</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>370,811</u>	<u>330,641</u>	<u>675,543</u>
Total Revenues and Other Sources	<u>\$ 26,086,669</u>	<u>\$ 26,933,373</u>	<u>\$ 28,107,706</u>	<u>\$ 31,096,606</u>	<u>\$ 33,046,577</u>
EXPENDITURES					
General Support	\$ 4,000,660	\$ 3,869,347	\$ 4,117,457	\$ 4,146,017	\$ 4,502,406
Instruction	12,520,199	12,196,003	13,141,926	13,795,947	14,904,497
Pupil Transportation	1,091,063	1,114,612	1,390,281	1,258,283	1,280,234
Employee Benefits	4,646,068	4,739,712	4,966,644	5,069,893	5,380,293
Debt Service	-	-	296,139	701,262	963,131
Total Expenditures	<u>\$ 22,257,990</u>	<u>\$ 21,919,674</u>	<u>\$ 23,912,447</u>	<u>\$ 24,971,402</u>	<u>\$ 27,030,561</u>
Other Uses:					
Interfund Transfers	<u>2,872,842</u>	<u>4,009,955</u>	<u>3,147,959</u>	<u>6,803,032</u>	<u>4,423,355</u>
Total Expenditures and Other Uses	<u>\$ 25,130,832</u>	<u>\$ 25,929,629</u>	<u>\$ 27,060,406</u>	<u>\$ 31,774,434</u>	<u>\$ 31,453,916</u>
Excess (Deficit) Revenues Over Expenditures	<u>955,837</u>	<u>1,003,744</u>	<u>1,047,300</u>	<u>(677,828)</u>	<u>1,592,661</u>
FUND BALANCE					
Fund Balance - Beginning of Year	4,237,863	5,193,700	6,197,444	7,244,744	6,566,916
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,193,700</u>	<u>\$ 6,197,444</u>	<u>\$ 7,244,744</u>	<u>\$ 6,566,916</u>	<u>\$ 8,159,577</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2025			2026
	Original Budget	Amended Budget	Audited Actual	Adopted Budget
REVENUES				
Real Property Taxes & Tax Items	\$ 10,695,160	\$ 10,695,160	\$ 10,690,742	\$ 10,828,650
Charges for Services	70,000	70,000	155,423	50,000
Use of Money & Property	230,000	230,000	402,635	250,000
Sale of Property and Compensation for Loss	10,000	10,000	2,676	10,000
Miscellaneous	210,000	210,000	520,848	100,000
Gifts and Donations	-	-	-	-
Revenues from State Sources	19,233,660	19,233,660	20,429,123	20,196,938
Revenues from Federal Sources	100,000	100,000	169,587	100,000
Total Revenues	<u>\$ 30,548,820</u>	<u>\$ 30,548,820</u>	<u>\$ 32,371,034</u>	<u>\$ 31,535,588</u>
Other Sources:				
Use of Reserves	-	-	-	-
Appropriated Fund Balance	500,000	629,825	-	500,000
Interfund Transfers	-	-	675,543	-
Total Revenues and Other Sources	<u>\$ 31,048,820</u>	<u>\$ 31,178,645</u>	<u>\$ 33,046,577</u>	<u>\$ 32,035,588</u>
EXPENDITURES				
General Support	\$ 4,601,935	\$ 4,923,559	\$ 4,502,406	\$ 4,983,192
Instruction	15,284,574	15,069,574	14,904,497	15,564,019
Pupil Transportation	1,374,778	1,352,819	1,280,234	1,438,420
Employee Benefits	5,475,539	5,409,338	5,380,293	5,757,618
Debt Service	-	-	963,131	3,692,339
Total Expenditures	<u>\$ 26,736,826</u>	<u>\$ 26,755,290</u>	<u>\$ 27,030,561</u>	<u>\$ 31,435,588</u>
Other Uses:				
Interfund Transfers	4,311,994	4,423,355	4,423,355	600,000
Total Expenditures and Other Uses	<u>\$ 31,048,820</u>	<u>\$ 31,178,645</u>	<u>\$ 31,453,916</u>	<u>\$ 32,035,588</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>1,592,661</u>	<u>-</u>
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	6,566,916	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,159,577</u>	<u>\$ -</u>

Source: Audited financial reports and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

<u>Fiscal Year Ending June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,180,000	\$ 998,469	\$ 3,178,469
2027	2,275,000	897,794	3,172,794
2028	2,370,000	801,719	3,171,719
2029	2,455,000	700,731	3,155,731
2030	2,540,000	594,781	3,134,781
2031	2,660,000	483,559	3,143,559
2032	2,775,000	366,300	3,141,300
2033	1,430,000	262,000	1,692,000
2034	785,000	190,500	975,500
2035	820,000	151,250	971,250
2036	860,000	110,250	970,250
2037	910,000	67,250	977,250
2038	435,000	21,750	456,750
TOTALS	\$ 22,495,000	\$ 5,646,353	\$ 28,141,353

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014			2016		
	Refunding of 2004 Series Bonds			Refunding of 2009 Series Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 850,000	\$ 205,019	\$ 1,055,019	\$ 35,000	\$ 5,200	\$ 40,200
2027	885,000	170,494	1,055,494	35,000	3,800	38,800
2028	910,000	143,569	1,053,569	35,000	2,400	37,400
2029	940,000	115,231	1,055,231	25,000	1,000	26,000
2030	970,000	84,781	1,054,781	-	-	-
2031	1,005,000	52,059	1,057,059	-	-	-
2032	1,040,000	17,550	1,057,550	-	-	-
2033	-	-	-	-	-	-
TOTALS	\$ 6,600,000	\$ 788,703	\$ 7,388,703	\$ 130,000	\$ 12,400	\$ 142,400

Fiscal Year Ending June 30th	2018			2024		
	DASNY - Capital Project			DASNY - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 725,000	\$ 326,500	\$ 1,051,500	\$ 570,000	\$ 461,750	\$ 1,031,750
2027	760,000	290,250	1,050,250	595,000	433,250	1,028,250
2028	800,000	252,250	1,052,250	625,000	403,500	1,028,500
2029	835,000	212,250	1,047,250	655,000	372,250	1,027,250
2030	880,000	170,500	1,050,500	690,000	339,500	1,029,500
2031	930,000	126,500	1,056,500	725,000	305,000	1,030,000
2032	970,000	80,000	1,050,000	765,000	268,750	1,033,750
2033	630,000	31,500	661,500	800,000	230,500	1,030,500
2034	-	-	-	785,000	190,500	975,500
2035	-	-	-	820,000	151,250	971,250
2036	-	-	-	860,000	110,250	970,250
2037	-	-	-	910,000	67,250	977,250
2038	-	-	-	435,000	21,750	456,750
TOTALS	\$ 6,530,000	\$ 1,489,750	\$ 8,019,750	\$ 9,235,000	\$ 3,355,500	\$ 12,590,500

UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS

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 Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) 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 the District 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 District, 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 District.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

The District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforementioned material event notices, if any, on or before the date specified.

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

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

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

**LE ROY CENTRAL SCHOOL DISTRICT
GENESEE AND LIVINGSTON COUNTIES, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2025

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

LE ROY CENTRAL SCHOOL DISTRICT

**Financial Statements as of and
For the Year Ended June 30, 2025
Together with
Independent Auditor's Report**

LE ROY CENTRAL SCHOOL DISTRICT

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LE ROY CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

October 14, 2025

To the Board of Education of the
Le Roy Central School District:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of contributions - pension plans, schedule of proportionate share of net pension liability (asset), and schedule of changes in total other postemployment benefit liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of change from original budget to revised budget and schedule of section 1318 of real property tax law limit calculation - general fund, schedule of project expenditures - capital project fund, and the schedule of net investment in capital assets, as required by the New York State Education Department, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

LE ROY CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2025

This section of Le Roy Central School District's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- At June 30, 2025 and 2024, total assets and deferred outflows (what the District owns) exceeded its total liabilities and deferred inflows (what the District owes), by \$26,610,595 and \$23,795,974 (net position), respectively. The District had an increase in net position of \$2,814,621 from 2024 to 2025 operations.
- General revenue, which includes state aid and property taxes, accounted for \$32,275,345 (or 94%), of all revenue. Program specific revenue in the form of Charges for Services, Operating Grant, and Capital grants, accounted for \$2,235,699 (or 6%) of total revenue.
- Total expenses in the district-wide financial statements totaled \$31,715,562 and \$31,696,423 in 2025 and 2024, respectively.
- As of the close of the fiscal year, the District's governmental funds reported combined fund balances of \$11,111,085 and \$10,838,410 in 2025 and 2024, respectively, an increase of \$272,675 from 2024 to 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds 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 funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A-1 Organization of the District's Annual Financial Report

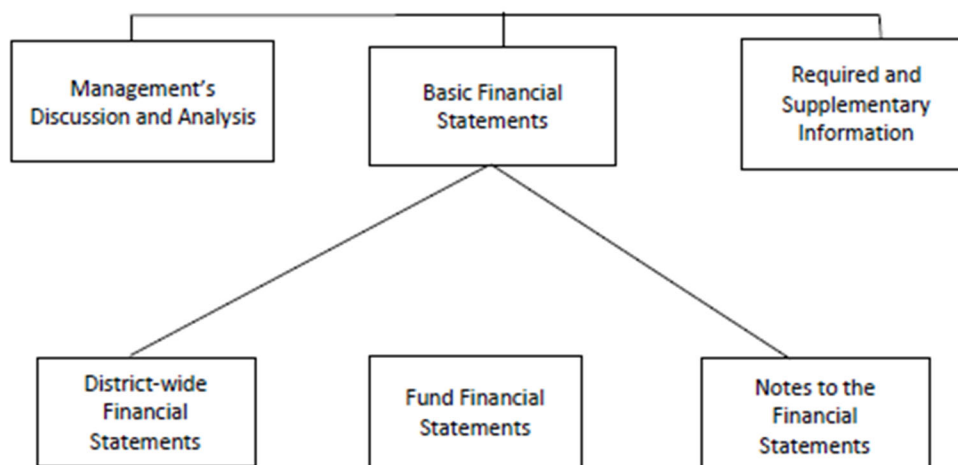


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section highlights the structure and contents of each of the statements.

Table A-2 Major Features of the District-Wide and Fund Financial Statements

	District-Wide	Governmental Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the District, such as instruction and special education
Required Financial Statements	Statement of Net Position Statement of Activities	Balance sheet Statement of revenue, expenditures, and changes in fund balance.
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of Asset/Deferred Inflows-Outflows of Resources/Liability Information	All assets/deferred outflows of resources and liabilities/deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue 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

District-Wide Statements

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

The two District-wide statements report the District's net position and how it has changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional nonfinancial factors, such as changes in the property tax base and the condition of school buildings and other facilities, should be considered.

In the district-wide financial statements, the District's activities are shown as governmental activities. Most of the 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 District's funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

Governmental Funds: All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information reported on the Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position explains the relationship (or differences) between them. The governmental funds financial statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the General fund, Special Aid fund, School Lunch fund, Debt Service fund, Miscellaneous Special Revenue fund, and the Capital Projects fund. Required financial statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balance.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table A-3) and the changes in net position (Table A-4) of the District-wide governmental activities.

Table A-3 Condensed Statements of Net Position - Governmental Activities (in thousands of dollars)

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	<u>Percent Change</u>
Current assets	\$ 14,797	\$ 14,230	4.0%
Non-current assets	<u>41,766</u>	<u>39,651</u>	5.3%
Total assets	<u>56,563</u>	<u>53,881</u>	5.0%
Deferred outflows of resources	<u>4,884</u>	<u>5,948</u>	-17.9%
Current liabilities	3,414	2,893	18.0%
Long term liabilities	<u>28,557</u>	<u>31,303</u>	-8.8%
Total liabilities	<u>31,971</u>	<u>34,196</u>	-6.5%
Deferred inflows of resources	<u>2,865</u>	<u>1,838</u>	55.9%
Net investment in capital assets	13,681	11,385	20.2%
Restricted	9,041	8,279	9.2%
Unrestricted	<u>3,889</u>	<u>4,132</u>	-5.9%
Total net position	<u>\$ 26,611</u>	<u>\$ 23,796</u>	11.8%

In Table A-3, the District had a large \$2.1 million increase in non-current assets due to a net pension asset. The District has a large \$2.7 decrease in long-term liabilities due to the debt payments in the current year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table A-4 Changes in Net Position from Operating Results - Governmental Activities (in thousands of dollars)

	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	<u>Percent Change</u>
<u>Revenues</u>			
Charges for services	\$ 155	\$ 55	181.8%
Operating grants	2,080	22,515	-90.3%
General revenue:			
Real property taxes and tax items	10,691	10,694	0.0%
Use of money and property	613	658	-6.8%
Sale of property and compensation for loss	3	15	-80.0%
State and federal aid not restricted for a specific purpose	19,968	148	13391.9%
Miscellaneous	831	674	23.3%
Medicaid reimbursement	<u>170</u>	<u>132</u>	28.8%
Total revenue	<u>34,511</u>	<u>33,891</u>	1.8%
<u>Expenses</u>			
General support	5,348	4,913	8.9%
Instruction	22,240	20,636	7.8%
Pupil transportation	1,833	1,809	1.3%
Interest	1,099	1,075	2.2%
School lunch program	1,176	1,025	14.7%
Unallocated depreciation	<u>-</u>	<u>2,196</u>	-100.0%
Total expenses	<u>31,696</u>	<u>31,654</u>	0.1%
Changes in net position	<u>\$ 2,815</u>	<u>\$ 2,237</u>	25.8%

Changes in Net Position

In Table A-4, the District's fiscal year 2025 revenues totaled \$34,511 million. The majority of revenues are from property taxes and state and federal aid not restricted for a specific purpose, which accounted for 94% of the revenue. The 1.7% increase of total revenue is mainly attributed to the large increase of 13391.2% in state and federal aid not restricted for a specific purpose, which is offset by the decrease of 90.8% in operating grants. The total decrease of the two combined groupings is 2.7% in the current year. The total cost of all programs and services totaled \$31,697 million for fiscal year 2025. These expenses are primarily instruction at 65% of total District expenses and general support at 15% of total District expenses. However, the total expenses increased in the current year by 0.1%.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Governmental Activities

This section presents the cost of five major District activities: general support, instruction, pupil transportation, debt service (interest), and school lunch. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Total costs of services for the current year and prior year, as well as the percentage change are shown in Table A-4.

Table A-5 Net (Expense) Revenue (in thousands of dollars)

	Net (Expense) Revenue		Percent Change
	<u>2025</u>	<u>2024</u>	
General support	\$ (5,262)	\$ (4,869)	8.1%
Instruction	(21,209)	(57)	37108.8%
Pupil transportation	(1,779)	(1,809)	-1.7%
Interest	(1,099)	(1,075)	2.2%
School lunch program	(112)	(77)	45.5%
Unallocated depreciation	<u>-</u>	<u>(2,196)</u>	-100%
Total	<u>\$ (29,461)</u>	<u>\$ (10,083)</u>	192.2%

In Table A-5, there was a decrease in net expense by function of 192.2%. The largest decrease in net expense occurred in the instruction financial statement line item in comparison to the prior year.

Financial Analysis of the District's Funds

Variances between years for the governmental fund financial statements are not the same as variances between years for the District-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt, liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the General fund. Certain variances from budget to actual relate to accounting for leases, SBITAs, which are required to be included in debt service principal and interest payments.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table A-6 Results vs. Budget

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Positive / (Negative)</u>
Revenue:					
Local sources	\$ 11,215,160	\$ 11,215,160	\$11,772,324	\$ -	\$ 557,164
State sources	19,233,660	19,233,660	20,429,123	-	1,195,463
Medicaid reimbursement	<u>100,000</u>	<u>100,000</u>	<u>169,587</u>	<u>-</u>	<u>69,587</u>
Total	<u>30,548,820</u>	<u>30,458,820</u>	<u>32,371,034</u>	<u>-</u>	<u>1,822,214</u>
Expenditures:					
General support	4,601,935	4,923,559	4,502,406	60,747	360,406
Instruction	15,284,574	15,069,574	14,904,497	13,453	151,624
Pupil transportation	1,374,778	1,352,819	1,280,234	844	71,741
Employee benefits	5,478,539	5,409,338	5,380,293	-	29,045
Debt service	<u>-</u>	<u>-</u>	<u>963,131</u>	<u>-</u>	<u>(963,131)</u>
Total	<u>26,736,826</u>	<u>26,755,290</u>	<u>27,030,561</u>	<u>75,044</u>	<u>(350,315)</u>
Other financing sources (uses)	<u>(4,311,994)</u>	<u>(4,423,355)</u>	<u>(3,747,812)</u>	<u>-</u>	<u>675,543</u>
Revenue over (under) expenditures	<u>\$ (500,000)</u>	<u>\$ (629,825)</u>	<u>\$ 1,592,661</u>	<u>\$ (75,044)</u>	<u>\$2,147,442</u>

The General fund is the only fund for which a budget is legally adopted. For the purposes of the above analysis the budget columns do not include appropriated fund balance.

The following significant variances between budget and actual occurred during fiscal year 2025:

- Local sources exceeded budget by \$557 thousand due largely to the use of money and higher interest rates on investments for this period.
- General support expenditures were less than budget by \$360 thousand due to technology equipment requests through BOCES, resulting in budget modifications that were not actually purchased during the year.

Capital Asset and Long-Term Liabilities

Capital Assets

As of June 30, 2025, the District had an investment of approximately \$40.1 million in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other educational equipment.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table A-7 Capital Assets Net of Depreciation (in thousands of dollars)

<u>Category</u>	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	Percent <u>Change</u>
Land	\$ 802	\$ 802	0.0%
Construction in progress	2,166	249	769.9%
Buildings and improvements	34,328	36,251	-5.3%
Vehicles, furniture and equipment	2,013	1,680	19.8%
Lease assets	569	669	-14.9%
SBITA assets	221	-	100%
Total	<u>\$ 40,099</u>	<u>\$ 39,651</u>	1.1%

Long-Term Liabilities

At year-end, the District had approximately \$28.6 million in long term liabilities. More detailed information about the District's total long-term liabilities is presented in the notes to the financial statements.

Table A-8 Outstanding Long-Term Liabilities (in thousands of dollars)

<u>Category</u>	Fiscal Year <u>2025</u>	Fiscal Year <u>2024</u>	Percent <u>Change</u>
Serial bonds payable	\$ 22,495	\$ 24,435	-7.9%
Unamortized premium	2,043	2,281	-10.4%
Net pension liability	1,214	1,808	-32.9%
Total other postemployment benefits liability	1,150	1,197	-3.9%
Employee retirement longevity liability	668	-	100.0%
Compensated absences	663	996	33.4%
Lease liability	300	586	-48.8%
SBITA liability	24	-	100%
Total	<u>\$ 28,557</u>	<u>\$ 31,303</u>	-8.8%

Short-Term Debt

The District's short-term debt consists of bond anticipation notes (BANs). BANs are issued with maturity dates of one year or less from the borrowing date. As a result of changes in State Transportation Aid for bus purchases, the District has stopped purchasing school buses outright and started financing bus purchases with BANs. As of June 30, 2025, the District has one outstanding Bond Anticipation Note (BAN) for the purchase of school buses. The BAN is in the amount of \$1,113,692 and has a maturity date of May 8, 2026.

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The factor that will always have the largest impact on the District and tax rates is the financial condition of New York State. The financial condition of the state determines the amount of monies given to the school districts in state aid. Typically, when finances are tighter in NYS the schools receive smaller increases and when finances are more plentiful, school districts receive more money. The current economy has given rise to stronger investment interest rates to a level that have not been realized since early 2000's which has greatly increased investment income.
- In May 2019, the voters of the school district approved the establishment of a capital reserve fund. The capital reserve fund was approved with a limit not to exceed \$5,000,000. To date, the District has funded \$3,200,000 into this reserve. The reserve monies will be utilized to help offset the total borrowing needed to finance a future capital improvement project and/or the purchase of electric buses when that time arises.

Contacting the District's Financial Management

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

LE ROY CENTRAL SCHOOL DISTRICT

**Statement of Net Position
June 30, 2025**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 3,863,525
Investments	6,811,859
Investments - restricted	2,143,053
Accounts receivable	3,840
Lease receivable, current portion	7,088
Due from other governments	1,123,924
Due from Federal and State governments	786,663
Inventory	<u>57,667</u>
Total current assets	<u>14,797,619</u>

NON-CURRENT ASSETS:

Net pension asset - TRS	1,604,344
Lease receivable, net	62,603
Capital assets, nondepreciable	2,968,128
Capital assets, net	<u>37,130,573</u>
Total non-current assets	<u>41,765,648</u>
Total assets	<u>56,563,267</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related - TRS	3,811,963
Pension related - ERS	648,857
Other postemployment benefits related	<u>422,784</u>
Total deferred outflows of resources	<u>4,883,604</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	911,738
Accrued liabilities	101,318
Due to retirement systems	1,287,826
Bond anticipation note payable	<u>1,113,693</u>
Total current liabilities	<u>3,414,575</u>

LONG-TERM LIABILITIES:

Due and payable within one year -	
Unamortized bond premium, current portion	237,234
Employee retirement longevity liability, current portion	166,500
Compensated absences, current portion	94,300
Total other postemployment benefits liability, current portion	158,278
Bonds payable, current portion	2,180,000
Lease liability, current portion	231,796
SBITA liability, current portion	<u>22,725</u>
Total long-term liabilities due and payable within one year	<u>3,090,833</u>
Due and payable after one year -	
Unamortized bond premium	1,806,142
Employee retirement longevity liability, net current portion	501,000
Compensated absences, net current portion	569,126
Total other postemployment benefits liability	991,748
Bonds payable	20,315,000
Lease liability	68,500
Net pension liability - ERS	<u>1,214,469</u>
Total long-term liabilities due and payable after one year	<u>25,465,985</u>
Total long-term liabilities	<u>28,556,818</u>
Total liabilities	<u>31,971,393</u>

DEFERRED INFLOWS OF RESOURCES

Pension related - TRS	2,013,035
Pension related - ERS	124,448
Other postemployment benefits related	660,061
Lease related	<u>67,339</u>
Total deferred inflows of resources	<u>2,864,883</u>

NET POSITION

Net investment in capital assets	13,680,604
Restricted	9,041,283
Unrestricted	<u>3,888,708</u>
Total net position	<u>\$ 26,610,595</u>

LE ROY CENTRAL SCHOOL DISTRICT

Statement of Activities For the Year Ended June 30, 2025

	<u>Program Revenue</u>			Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services and Contributions</u>	<u>Operating Grants and Contributions</u>	
FUNCTIONS/PROGRAMS:				
General government support	\$ 5,347,947	\$ 85,563	\$ -	\$ (5,262,384)
Instruction	22,240,295	15,300	1,016,462	(21,208,533)
Pupil transportation	1,833,148	54,560	-	(1,778,588)
Interest	1,098,757	-	-	(1,098,757)
Food service program	<u>1,176,276</u>	<u>-</u>	<u>1,063,814</u>	<u>(112,462)</u>
Total functions/programs	<u>\$ 31,696,423</u>	<u>\$ 155,423</u>	<u>\$ 2,080,276</u>	<u>(29,460,724)</u>
GENERAL REVENUE:				
Real property taxes and tax items				10,690,742
Use of money and property				613,115
Sale of property and compensation for loss				2,676
State and federal aid not restricted for a specific purpose				19,967,997
Miscellaneous				831,228
Medicaid reimbursement				<u>169,587</u>
Total general revenue				<u>32,275,345</u>
CHANGE IN NET POSITION				2,814,621
NET POSITION - beginning of year				<u>23,795,974</u>
NET POSITION - end of year				<u>\$ 26,610,595</u>

The accompanying notes are an integral part of these financial statements.

LE ROY CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2025

	General	Special Aid	Capital Projects	Debt Service	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,394,399	\$ 109,679	\$ 51,233	\$ 80,383	\$ 227,831	\$ 3,863,525
Investments	3,466,385	-	1,161,565	1,066,995	1,116,914	6,811,859
Investments - restricted	1,937,306	-	-	-	205,747	2,143,053
Accounts receivable	3,678	-	-	-	162	3,840
Lease receivable	69,691	-	-	-	-	69,691
Due from other funds	435,076	-	286,175	214,021	-	935,272
Due from other governments	1,123,924	-	-	-	-	1,123,924
Due from federal and state governments	380,973	325,395	9,805	-	70,490	786,663
Inventory	-	-	-	-	57,667	57,667
Total assets	\$ 10,811,432	\$ 435,074	\$ 1,508,778	\$ 1,361,399	\$ 1,678,811	\$ 15,795,494
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 456,525	\$ -	\$ 443,007	\$ -	12,206	\$ 911,738
Accrued liabilities	40,554	-	-	-	9,361	49,915
Employee retirement longevity liability	166,500	-	-	-	-	166,500
Compensated absences	94,300	-	-	-	-	94,300
Due to other funds	493,919	435,074	6,277	-	2	935,272
Due to retirement systems	1,274,892	-	-	-	12,934	1,287,826
Bond anticipation note payable	-	-	1,113,693	-	-	1,113,693
Total liabilities	2,526,690	435,074	1,562,977	-	34,503	4,559,244
DEFERRED INFLOWS OF RESOURCES:						
Lease related	67,339	-	-	-	-	67,339
State aid	57,826	-	-	-	-	57,826
Total deferred inflows of resources	125,165	-	-	-	-	125,165
FUND BALANCES:						
Nonspendable	62,603	-	-	-	57,667	120,270
Restricted	6,093,243	-	-	1,361,399	1,586,641	9,041,283
Assigned	575,044	-	-	-	-	575,044
Unassigned	1,428,687	-	(54,199)	-	-	1,374,488
Total fund balances	8,159,577	-	(54,199)	1,361,399	1,644,308	11,111,085
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,811,432	\$ 435,074	\$ 1,508,778	\$ 1,361,399	\$ 1,678,811	\$ 15,795,494

The accompanying notes are an integral part of these financial statements.

LE ROY CENTRAL SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Fund balance - total governmental funds	\$ 11,111,085
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds	40,098,701
Deferred outflows/inflows of resources related to pensions and other postemployment benefits are applicable to future periods and; therefore, not reported in the funds:	
Deferred outflows - pension related - ERS	648,857
Deferred outflows - pension related - TRS	3,811,963
Deferred outflows - OPEB	422,784
Deferred inflows - pension related - ERS	(124,448)
Deferred inflows - pension related - TRS	(2,013,035)
Deferred inflows - OPEB	(660,061)
Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the funds:	
Lease liability	(300,296)
SBITA liability	(22,725)
Bonds payable	(22,495,000)
Unamortized bond premium	(2,043,376)
Employee retirement longevity liability	(501,000)
Compensated absences	(569,126)
Total other postemployment benefits (OPEB) liability	(1,150,026)
Accrued interest	(51,403)
Net pension obligations are not due and payable in the current period and; therefore, are not reported in the funds:	
Net pension liability - ERS	(1,214,469)
Net pension asset - TRS	1,604,344
Certain revenues are deferred in governmental funds due to applying the availability criterion to receivables for the modified accrual basis of accounting:	
Deferred inflows - state aid	<u>57,826</u>
Bond anticipation note payable	<u>\$ 26,610,595</u>

The accompanying notes are an integral part of these financial statements.

LE ROY CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2025**

	General	Special Aid	Capital Projects	Debt Service	Nonmajor Funds	Total Governmental Funds
REVENUES:						
Real property tax and tax items	\$ 10,690,742	\$ -	\$ -	\$ -	\$ -	\$ 10,690,742
Charges for services	155,423	-	-	-	-	155,423
Use of money and property	402,635	-	-	157,589	52,891	613,115
Sale of property and compensation for loss	2,676	-	-	-	-	2,676
Miscellaneous	520,848	-	-	-	310,380	831,228
State sources	20,429,123	446,373	-	-	336,450	21,211,946
Federal sources	-	570,089	-	-	727,364	1,297,453
Medicaid reimbursement	169,587	-	-	-	-	169,587
Sales - food service	-	-	-	-	115,966	115,966
Total revenues	32,371,034	1,016,462	-	157,589	1,543,051	35,088,136
EXPENDITURES:						
General support	4,502,406	-	-	-	-	4,502,406
Instruction	14,904,497	1,080,707	-	-	244,037	16,229,241
Pupil transportation	1,280,234	47,116	-	-	-	1,327,350
Employee benefits	5,380,293	-	-	-	99,644	5,479,937
Cost of sales	-	-	-	-	1,038,186	1,038,186
Capital outlays	-	-	2,730,015	-	-	2,730,015
Debt service -						
Principal	937,341	-	-	2,268,427	-	3,205,768
Interest	25,790	-	-	1,279,218	-	1,305,008
Total expenditures	27,030,561	1,127,823	2,730,015	3,547,645	1,381,867	35,817,911
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,340,473	(111,361)	(2,730,015)	(3,390,056)	161,184	(729,775)
OTHER FINANCING SOURCES AND (USES):						
Proceeds from issuance of leases	407,021	-	-	-	-	407,021
Proceeds from issuance of SBITAs	267,002	-	-	-	-	267,002
BANs redeemed from appropriations	-	-	328,427	-	-	328,427
Transfers in	1,520	111,361	600,000	3,711,994	-	4,424,875
Transfers out	(4,423,355)	-	(1,520)	-	-	(4,424,875)
Total other financing sources (uses)	(3,747,812)	111,361	926,907	3,711,994	-	1,002,450
CHANGE IN FUND BALANCE	1,592,661	-	(1,803,108)	321,938	161,184	272,675
FUND BALANCE - beginning of year	6,566,916	-	1,748,909	1,039,461	1,483,124	10,838,410
FUND BALANCE - end of year	\$ 8,159,577	\$ -	\$ (54,199)	\$ 1,361,399	\$ 1,644,308	\$ 11,111,085

LE ROY CENTRAL SCHOOL DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

Net changes in fund balance - total governmental funds	\$ 272,675
Certain capital outlays and the addition of capital assets are expenditures in governmental funds, but are capitalized in the statement of net position.	3,469,893
Depreciation and amortization are not recorded as an expenditure in the governmental funds, but is recorded as expense in the statement of activities.	(3,014,180)
Loss on disposal of capital assets is not recorded as an expenditure in the governmental funds, but is recorded as an expense in the statement of activities.	(8,494)
Repayments of long-term obligations are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	
Bonds payable	1,940,000
Lease liability	693,064
SBITA liability	244,277
Proceeds from the issuance of leases and SBITAs are recorded as revenue in the governmental funds, but are recorded in the statement of activities as an increase to liabilities.	(674,023)
Amortization of bond premiums is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	237,233
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense.	245,892
On the statement of activities, the actual and projected long term expenditures for postemployment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits.	(25,084)
Certain expenses in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in the governmental funds:	
Change in accrued interest	(30,982)
Change in compensated absences	(74,524)
Revenue related to State Aid is recognized as a deferred inflow of resources at the fund level because it is not available under the modified accrual basis of accounting, but is recognized at the government-wide level on the full accrual basis of accounting.	<u>(461,126)</u>
Change in net position - governmental activities	<u>\$ 2,814,621</u>

The accompanying notes are an integral part of these financial statements.

LE ROY CENTRAL SCHOOL DISTRICT

Notes to the Financial Statements June 30, 2025

1. NATURE OF OPERATIONS

The Le Roy Central School District (the District) provides free K-12 public education to students living within its geographic borders.

Reporting Entity

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

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 an entity included in the District's reporting entity:

- **Extraclassroom Activity Funds**
The Extraclassroom activity funds of the District represent funds of the students of the District. The BOE exercises general oversight of these funds; however, the funds are used as designated by student management. Separate audited financial statements (cash basis) of the Extraclassroom activity funds can be found at the District's business office. The District accounts for the activities of these various student organizations in the Miscellaneous Special Revenue Fund.

Joint Venture

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

BOCES are organized under §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 §1950 of the New York State Education Law. All BOCES property is held by the BOCES board as a corporation (§1950(6)). In addition, BOCES boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

1. NATURE OF OPERATIONS

Joint Venture (Continued)

The 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 the New York State Education Law, §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, the District was billed \$4,109,047 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,303,148, including \$291,026 of BOCES refund of prior year expense.

Financial statements for the BOCES are available from the BOCES administrative office.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation

The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

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. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, 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 revenue 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 the payroll expended for those areas. Program revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund statements provide information about the District's funds. 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 Fund - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds - These funds accounts 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 either by governments that provide the funds, or by outside parties.

- Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or local grants.

Capital Projects Fund - This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following nonmajor governmental funds:

Special Revenue Funds -

- School Lunch Fund: Used to account for transactions of the lunch and breakfast programs.
- Miscellaneous Special Revenue Fund: Used to account for the activity of the Extraclassroom activity funds, community education, as well as the scholarship activity funds.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Non-exchange 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 sixty days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other postemployment benefits and long-term pension obligations, 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 leases and SBITAs are reported as other financing sources.

Property Taxes

Real property taxes are levied annually by the BOE no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31. Taxes not collected by October 31 are turned over to the County, who assume all responsibility for collection. Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is 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.

Interfund Transactions

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

In the district-wide statements, eliminations have been made for all interfund receivables and payables between the 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 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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 dates of the financial statements and the reported revenues and expenses/expenditures 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, potential contingent liabilities and useful lives of long-lived assets.

Cash and Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's 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. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

The District holds investments with the New York Cooperative Liquid Assets Securities System (NYCLASS). These are short-term, highly liquid investments for the public sector that provide the opportunity to invest funds cooperatively, while maintaining the safety of assets. The investments are governed by a CLASS Municipal Cooperation Agreement (the Agreement) which is structured in accordance with New York State General Municipal Law (GML). These investments are fully insured by NYCLASS and not by the District. These investments are measured at amortized cost.

Restricted Investments

Restricted investments represents cash and cash equivalents and investments where use is limited by legal requirements. These assets include amounts required by statute to be reserved for various purposes.

Interest Rate Risk

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

Credit Risk

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

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

Inventory

Inventory of food and/or supplies in the School Lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Land and work in progress are not depreciated. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 5,000	SL	20-50 years
Vehicles and equipment	\$ 5,000	SL	5-8 years

Capital assets also include leased and SBITA assets with a term greater than one year. The District does not implement a capitalization threshold for leased or SBITA assets. Leased and SBITA assets are amortized on a straight-line basis over the term of the obligations.

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by the employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee). A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick pay is accrued on the basis of negotiated contracts with administrative and employee groups which provide for the payment of various amounts at retirement. All such payouts are made directly to the employee's tax deferred annuity accounts.

The government-wide financial statements reflect the entire liability, while in the governmental fund financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Other Benefits

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Benefits (Continued)

In addition to providing pension benefits, the District provides postemployment 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. The obligation of the District and its retirees to contribute to the cost of providing these benefits has been established pursuant to Board resolution and various collective bargaining agreements. Payments are budgeted annually without accrual and are based on a pay-as-you go method.

The District has a longevity incentive paid out at retirement for those employees who meet the specified requirements per their contract.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Accounts Payable, Accrued Liabilities, Due to other Governments and Long-Term Obligations

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

Long-term obligations represent the 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.

District-Wide Statements - Equity Classifications

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement 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 or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications

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 legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory and lease receivable recorded in the School Lunch and General Funds. Total Nonspendable fund balance at June 30, 2025 amounted to \$120,270.

Restricted fund balance - 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. The District has established the following restricted fund balances:

Capital Reserve Fund

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

Retirement Contributions Reserve Fund

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

Employee Benefit Accrued Liability Reserve

According to General Municipal Law §6-p, all expenditures made from the employee benefit accrued liability reserve must be used to pay for accrued employee benefits due employees upon termination of service for vacation, sick leave, personal leave, etc. The reserve may be established by a majority vote of the Board of Education and is funded by budgetary appropriations and such other reserves authorized in the GML, subject to permissive referendum. Upon termination by Board of Education, any balance not required to satisfy all incurred or accrued liabilities may be transferred to any other reserve fund(s) authorized in the General Municipal Law; however, this may not be used to fund health or other postretirement benefits. This reserve is accounted for in the General Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity classifications (Continued)

Unemployment Insurance Reserve

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund 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 BOE action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Restricted fund balance includes the following:

General Fund:	
Capital Reserve Fund	\$ 3,185,322
Retirement Contributions Reserve Fund	1,292,545
Employee Benefit Accrued Liability Reserve	893,006
Unemployment Insurance Reserve	<u>722,370</u>
Total General Fund	<u>6,093,243</u>
Miscellaneous Special Revenue Fund:	
Extraclassroom activities	110,299
Scholarships	87,381
Other	<u>767,013</u>
Total miscellaneous special revenue fund	964,693
Debt Service Fund	1,361,399
School Lunch Fund	<u>621,948</u>
Total	<u>\$ 9,041,283</u>

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity classifications (Continued)

Assigned fund balance - Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balance 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. All encumbrances of the General fund are classified as assigned fund balance. Encumbrances reported in the General Fund amounted to \$75,044. Appropriated fund balance in the General Fund Amounted to \$500,000. As of June 30, 2025, the District's General Fund encumbrances were classified as follows:

General support	\$	60,747
Instruction		13,453
Pupil transportation		844
	\$	<u>75,044</u>

Unassigned fund balance - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The capital projects fund has a negative unassigned fund balance as a result of ongoing capital projects. Once the District converts to long-term financing, the deficit will be relieved.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances, and amounts reserved for insurance recoveries are also excluded from the 4% limitation. At year-end, the District was not in compliance with the 4% limitation.

Order of Use of Fund Balance

The District is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and finally unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for special revenue funds are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining general fund amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

3. 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.

3. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (Continued)**

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference 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.

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 five broad categories.

- **Long Term Revenue and Expense Differences**
Long-term revenue differences arise because governmental funds report revenue only when it is considered "available," whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.
- **Capital Related Differences**
Capital related differences include the difference between proceeds from 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.
- **Long Term Debt Transaction Differences**
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.
- **Pension Differences**
Pension differences occur as a result of 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.
- **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.

4. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

Budgets

The District administration prepares a proposed budget for approval by the BOE for the General Fund. The voters of the District approved the proposed appropriation budget. Appropriations are adopted at the program line-item level.

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets (Continued)

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 BOE 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 restriction, if the board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. 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 budgetary control and monitoring purposes and is reported as a part of the governmental funds. Under this method, contracts and other commitments for goods and services are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

5. CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. 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.

At June 30, 2025, the reported amount of the District's deposits was \$3,863,525 and the bank balance was \$4,599,897. Of the bank balance, \$500,000 was covered by federal depository insurance and \$4,321,070 was covered by collateral held in the pledging bank's trust department in the District's name.

6. INVESTMENTS

The District has investments donated to scholarship funds. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

6. INVESTMENTS (Continued)

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

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

Level 2: Inputs to the valuation methodology include:

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

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

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

All of the District investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodology used for investments measured at fair value:

- *Common Stocks*: Valued at market value of shares held at year end. The value is the closing price reported on the open market on which the securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	Fair Market Value Per Share	Shares	Market Value June 30, 2025
Bank of America Corporation	\$ <u>47.32</u>	<u>4,348</u>	\$ <u>205,747</u>

6. INVESTMENTS (Continued)

Restricted investments represent investments where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted investments as of year-end include \$2,143,053 within the governmental funds.

NYCLASS

NYCLASS measures its investments at fair value and therefore a Participant's investments in the pools are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

NYCLASS and NYCLASS Prime are rated by S&P Global Ratings. The current rating is 'AAAm'.

NYCLASS and NYCLASS Prime are external investment pools and therefore are not subject to custodial credit risk; investment in the pools is exempt from the reporting requirement.

The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2025, was 45.71 days and the weighted average life (WAL) was 77.33 days. The WAM of NYCLASS Prime at June 30, 2025, was 43.58 days and the WAL was 64.37 days.

The US Treasuries within the NYCLASS portfolio are backed by the full faith and credit of the United States Government and therefore do not require collateral. New York State Municipal Bonds within the portfolio are backed by the full faith and credit of the State of New York and therefore do not require collateral. The other permissible investment security types are collateralized in accordance with NYS GML Section 10 and the NYCLASS Investment Policy. Repurchase Agreements (repo) are collateralized 102% by either US Treasuries or US Agencies. Certificates of Deposit (CD) also require full collateral; currently NYCLASS CDs are being collateralized by Federal Home Loan Bank (FHLB) Letters of Credit (LOC).

NYCLASS Portfolio Holdings as of June 30, 2025:

US Treasury Securities (Full Faith and Credit)	68.83%
Repurchase Agreements (Collateralized)	27.07%
Bank Deposits (Collateralized)	3.19%
FDIC Insured Bank Deposits	<u>0.91%</u>
	<u>100.00%</u>

Total District NYCLASS Investment balance as of June 30, 2025: \$ 8,749,164

7. CAPITAL ASSETS

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

	Balance <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2025</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 802,028	\$ -	\$ -	\$ 802,028
Work in progress	<u>248,776</u>	<u>2,069,615</u>	<u>(152,290)</u>	<u>2,166,101</u>
Total nondepreciable cost	<u>1,050,804</u>	<u>2,069,615</u>	<u>(152,290)</u>	<u>2,968,129</u>
Capital assets that are depreciated:				
Buildings and improvements	61,656,836	152,290	-	61,809,126
Vehicles and equipment	<u>5,273,220</u>	<u>726,255</u>	<u>(615,859)</u>	<u>5,383,616</u>
Total depreciable historical cost	<u>66,930,056</u>	<u>878,545</u>	<u>(615,859)</u>	<u>67,192,742</u>
Less accumulated depreciation:				
Buildings and improvements	(25,405,520)	(2,075,822)	-	(27,481,342)
Vehicles and equipment	<u>(3,592,802)</u>	<u>(385,122)</u>	<u>607,365</u>	<u>(3,370,559)</u>
Total accumulated depreciation	<u>(28,998,322)</u>	<u>(2,460,944)</u>	<u>607,365</u>	<u>(30,851,901)</u>
Total depreciable cost - net	<u>37,931,734</u>	<u>(1,582,399)</u>	<u>(8,494)</u>	<u>36,340,841</u>
Leased assets that are amortized:				
Equipment	<u>1,519,521</u>	<u>407,021</u>	<u>(254,179)</u>	<u>1,672,363</u>
Total lease assets that are amortized	<u>1,519,521</u>	<u>407,021</u>	<u>(254,179)</u>	<u>1,672,363</u>
Less accumulated amortization for:				
Equipment	<u>(850,577)</u>	<u>(507,359)</u>	<u>254,179</u>	<u>(1,103,757)</u>
Total accumulated amortization	<u>(850,577)</u>	<u>(507,359)</u>	<u>254,179</u>	<u>(1,103,757)</u>
Total lease assets, net	<u>688,944</u>	<u>(100,338)</u>	<u>-</u>	<u>568,606</u>

7. CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
SBITA assets that are amortized:				
SBITA assets	<u>-</u>	<u>267,002</u>	<u>-</u>	<u>267,002</u>
Total SBITA assets that are amortized	<u>-</u>	<u>267,002</u>	<u>-</u>	<u>267,002</u>
Less accumulated amortization for:				
SBITA assets	<u>-</u>	<u>(45,877)</u>	<u>-</u>	<u>(45,877)</u>
Total accumulated amortization	<u>-</u>	<u>(45,877)</u>	<u>-</u>	<u>(45,877)</u>
Total SBITA assets, net	<u>-</u>	<u>221,125</u>	<u>-</u>	<u>221,125</u>
Governmental activities capital assets, net of accumulated depreciation/amortization	<u>38,600,678</u>	<u>(1,461,612)</u>	<u>(8,494)</u>	<u>37,130,572</u>
Governmental activities capital assets, net	<u>\$ 39,651,482</u>	<u>\$ 608,003</u>	<u>\$ (160,784)</u>	<u>\$ 40,098,701</u>

Depreciation and amortization was charged to governmental activities as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General government support	\$ 479,719	\$ 553,236
Instruction	1,129,183	-
Pupil transportation	141,426	-
School lunch	<u>110,616</u>	<u>-</u>
Total	<u>\$ 2,460,944</u>	<u>\$ 553,236</u>

8. INTERFUND BALANCES AND ACTIVITY

	<u>Interfund</u>		<u>Transfers</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ 435,076	\$ 493,919	\$ 1,520	\$ 4,423,355
Special aid fund	-	435,074	111,361	-
Capital projects fund	286,175	6,277	600,000	1,520
Debt service fund	214,021	-	3,711,994	-
School lunch fund	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 935,272</u>	<u>\$ 935,272</u>	<u>\$ 4,424,875</u>	<u>\$ 4,424,875</u>

8. INTERFUND BALANCES AND ACTIVITY (Continued)

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

Interfund receivables and payables were incurred primarily due to salaries paid by the General Fund on behalf of the Special Aid Fund, as well as the General Fund paying the Capital Projects Fund for capital projects. The majority of the interfund revenues and expenditures were transfers from the General Fund to the Capital Projects Fund to fund current project expenditures, budgeted transfers to the Debt Service Fund to fund debt obligations and transfers to the Special Aid Fund for the summer school handicap program.

9. LONG-TERM OBLIGATIONS

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

	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>	<u>Due Within</u> <u>One Year</u>
General obligation debt:					
Serial bonds payable	\$ 24,435,000	\$ -	\$ (1,940,000)	\$ 22,495,000	\$ 2,180,000
Unamortized premium	<u>2,280,609</u>	<u>-</u>	<u>(237,233)</u>	<u>2,043,376</u>	<u>237,234</u>
Total general obligation debt	<u>\$ 26,715,609</u>	<u>\$ -</u>	<u>\$ (2,177,233)</u>	<u>\$ 24,538,376</u>	<u>\$ 2,417,234</u>
Other liabilities:					
Employee retirement longevity liability {a}	\$ -	\$ 667,500	\$ -	\$ 667,500	\$ 166,500
Compensated absences {a}	<u>995,602</u>	<u>-</u>	<u>(332,176)</u>	<u>663,426</u>	<u>260,800</u>
Total other liabilities	<u>\$ 995,602</u>	<u>\$ 667,500</u>	<u>\$ (332,176)</u>	<u>\$ 1,330,926</u>	<u>\$ 260,800</u>

Interest for the year was composed of:

Interest paid	\$ 1,305,008
Less: Amortization of bond premium	(237,233)
Less: Interest accrued in the prior year	(20,421)
Plus: Interest accrued in the current year	<u>51,403</u>
Total interest expense	<u>\$ 1,098,757</u>

{a} Employee retirement longevity liability and compensated absences changes are reported on a net basis as it is impracticable to record additions and deletions separately.

9. LONG-TERM OBLIGATIONS (Continued)

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Original Issue Date</u>	<u>Original Borrowing</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>6/30/2025 Balance</u>
Refunding bonds	8/12/2014	\$ 14,670,000	6/15/2032	1.75% - 4.00%	\$ 6,600,000
Refunding bonds	11/15/2016	\$ 2,450,000	6/15/2029	3.00% - 4.00%	130,000
DASNY serial bonds	6/7/2018	\$ 10,560,000	6/15/2033	5.00%	6,530,000
Revenue bonds, Series 2024A	6/18/2024	\$ 9,635,000	6/15/2038	5.00%	<u>9,235,000</u>
Total bond issue					<u>\$ 22,495,000</u>

The following is a summary of the maturity of long-term indebtedness as of June 30, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,180,000	\$ 998,469	\$ 3,178,469
2027	2,275,000	897,794	3,172,794
2028	2,370,000	801,719	3,171,719
2029	2,455,000	700,731	3,155,731
2030	2,540,000	594,781	3,134,781
2031 – 2035	8,470,000	1,453,609	9,923,609
2036 – 2038	<u>2,205,000</u>	<u>199,250</u>	<u>2,404,250</u>
Total	<u>\$ 22,495,000</u>	<u>\$ 5,646,353</u>	<u>\$ 28,141,353</u>

10. SHORT-TERM DEBT

The District may issue bond anticipation notes (BANs) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities in the Capital Projects Fund when the proceeds are received. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date, if not completely repaid. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

	<u>Balance 7/1/2024</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>Balance 6/30/2025</u>
BAN maturing 5/9/2025 at 4.50%	\$ 998,119	\$ -	\$ (998,119)	\$ -
BAN maturing 5/8/2026 at 4.16%	<u>-</u>	<u>1,113,693</u>	<u>-</u>	<u>1,113,693</u>
Total	<u>\$ 998,119</u>	<u>\$ 1,113,693</u>	<u>\$ (998,119)</u>	<u>\$ 1,113,693</u>

11. LEASES

Lessee

The District leases one-to-one devices. The leases have various inception dates with remaining terms of 1 - 36 months, with discount rates ranging from 1.01% - 5.29%.

Activity of the lease liability for the year ended June 30, 2025 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 586,339	\$ 407,021	\$ (693,064)	\$ 300,296	\$ 231,796

Annual requirements to amortize lease obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 231,796	\$ 13,203	\$ 244,999
2027	68,500	2,969	71,469
Total	<u>\$ 300,296</u>	<u>\$ 16,172</u>	<u>\$ 316,468</u>

Lessor

The District has a Tower Lease Agreement with a third-party. The lease has an inception date of August 1, 2023, with a remaining term of 97 months and a discount rate of 3.78%.

Activity for lease-related revenue for the year ended June 30, 2025 is summarized as follows:

Land revenue	\$ 8,331
Lease interest	<u>2,753</u>
Total interest expense	<u>\$ 11,084</u>

Annual requirements to amortize lease inflows and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,088	\$ 2,512	\$ 9,600
2027	7,360	2,240	9,600
2028	7,643	1,957	9,600
2029	8,608	1,652	10,260
2030	9,001	1,319	10,320
2031-2035	<u>29,991</u>	<u>1,829</u>	<u>31,820</u>
Total	<u>\$ 69,691</u>	<u>\$ 11,509</u>	<u>\$ 81,200</u>

12. PENSION PLANS

Description of Plan

The District participates in the New York State and Local Employee's Retirement System (ERS). The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS.

ERS benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

This is a cost-sharing, multiple-employer, defined benefit pension plan. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. GLIP amounts are appropriated to and included in the ERS. ERS is included in the State's financial report as a pension trust fund. That report, including information regarding benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The significant dates shown below are referenced throughout the ERS section of this footnote:

- Fiscal year end – June 30, 2025
- Measurement date – March 31, 2025
- Actuarial valuation date – April 1, 2024

Membership Tiers

Membership, benefits, and employer and employee obligations to contribute are described in the RSSL using the tier concept. Pension legislation established tier membership by the date a member last joined ERS. They are as follows:

- | | |
|--------|---|
| Tier 1 | Those persons who last became members of ERS before July 1, 1973. |
| Tier 2 | Those persons who last became members on or after July 1, 1973, but before July 27, 1976. |
| Tier 3 | Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983. |
| Tier 4 | Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010. |
| Tier 5 | Those persons who last became members of ERS on or after January 1, 2010, but before April 1, 2012. |
| Tier 6 | Those persons who first became members of ERS on or after April 1, 2012. |

Vesting

All Members are vested when they reach five years of service credit.

12. PENSION PLANS (Continued)

Employer Contributions

Participating employers are required under the RSSL to contribute to ERS at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2025 was approximately 15.2 percent of covered payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2025, the applicable interest rate was 5.9 percent. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2025	\$ 367,434
2024	\$ 316,076
2023	\$ 258,820

Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3 percent of their salary to ERS. As a result, of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with ERS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

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

At year end, the District reported a net pension liability of \$1,214,469 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of the measurement date, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the District's proportionate share was 0.0070832%, which was decrease of 0.0010321% from its proportionate share of 0.0081153% as of the prior year measurement date.

12. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of the fiscal year end, pension expense of \$285,352 was recognized and the deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 301,439	\$ 14,219
Changes of assumptions	50,932	-
Net difference between projected and actual earnings on pension plan investments	95,284	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	83,486	110,229
Contributions subsequent to the measurement date	<u>117,716</u>	<u>-</u>
Total	<u>\$ 648,857</u>	<u>\$ 124,448</u>

The net amount of the share of balances of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Fiscal Year End:	
2026	\$ 211,449
2027	313,542
2028	(111,807)
2029	<u>(6,491)</u>
	<u>\$ 406,693</u>

At fiscal year end, \$117,716 was recognized as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date. This outflow will be recognized on a reduction of the net pension liability in the following fiscal year.

Actuarial Assumptions

The total pension liability at the measurement date was determined by using an actuarial valuation as of the actuarial valuation date. Update procedures were used by the actuary to roll forward the total net pension liability to be as of the measurement date.

Economic assumptions used in the actuarial valuation date included:

Actuarial cost method	Aggregate Cost Method
Inflation	2.9%
Salary increases	4.3%
Investment rate of return (net of investment expense, including inflation)	5.9%
Active member decrements	1.5%

12. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

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

To set the long-term expected rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Demographic assumptions used in the actuarial valuation date are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations in %</u>	<u>Long-Term Expected Real Rate of return in %</u>
Domestic Equity	25.0	3.54
International Equity	14.0	6.57
Private Equity	15.0	7.25
Real Estate	12.0	4.95
Opportunistic/ARS portfolio	3.0	5.25
Credit	4.0	5.40
Real Assets	4.0	5.55
Fixed Income	22.0	2.00
Cash	<u>1.0</u>	0.25
	<u>100%</u>	

Discount Rate

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

12. PENSION PLANS (Continued)

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease <u>4.9%</u>	Current <u>Discount 5.9%</u>	1% Increase <u>6.9%</u>
Proportionate share of net pension liability (asset)	\$ <u>3,514,827</u>	\$ <u>1,214,469</u>	\$ <u>(706,331)</u>

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2025, were as follows:

Employers' total pension liability	\$ 247,600,239
Fiduciary net position	<u>230,454,512</u>
Employers' net pension liability (asset)	<u>\$ 17,145,727</u>

Ratio of fiduciary net position to the employers' total pension liability	93.08%
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New York State Teachers’ Retirement System

The District participates in the New York State Teachers' Retirement System (NYSTRS). NYSTRS is a public employee retirement system (PERS) that was created and exists, pursuant to Article 11 of the New York State Education Law. NYSTRS is the administrator of a cost-sharing, multiple-employer, defined benefit plan, administered by a 10-member Board to Provide pension benefits for teachers employed in New York, excluding New York City. NYSTRS issues a publicly available Annual Comprehensive Final Report. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

The significant dates shown below are referenced throughout the NYSTRS section of this footnote:

- Fiscal year end – June 30, 2024
- Measurement date – June 30, 2024
- Actuarial valuation date – June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024

12. PENSION PLANS (Continued)

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1	Members who last joined prior to July 1, 1973, are covered by the provisions of Article 11 of the Education Law.
Tier 2	Members who last joined on or after July 1, 1973, and prior to July 27, 1976, are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).
Tier 3	Members who last joined on or after July 27, 1976, and prior to September 1, 1983, are covered by the provisions of Article 14 and Article 15 of the RSSL.
Tier 4	Members who last joined on or after September 1, 1983, and prior to January 1, 2010, are covered by the provisions of Article 15 of the RSSL.
Tier 5	Members who joined on or after January 1, 2010, and prior to April 1, 2012, are covered by the provisions of Article 15 of the RSSL.
Tier 6	Members who joined on or after April 1, 2012, are covered by the provisions of Article 15 of the RSSL.

Employer Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. The actuarially determined contribution rate applied to 2023-24 salaries is 9.76%. The required contribution is an actuarially determined rate. The contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current plan year and two preceding plan years were:

		<u>TRS</u>
2025	\$	1,002,056
2024	\$	1,019,454
2023	\$	946,424

Member Contributions

Tier 3 and Tier 4 members are required by law to contribute 3.0% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3.0% and 6.0% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than five years of credited service for Tiers 3-6, the member contributions with interest calculated at 5.0% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

12. PENSION PLANS (Continued)

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

At fiscal year end, a net pension asset of \$1,604,344 was reported for the proportionate share of the NYSTRS total pension liability. The net pension asset as of the measurement date, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation date. The proportion of the net pension asset was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date, the proportionate share was 0.053772%, which was an increase of 0.00013% from the prior measurement date.

For the fiscal year end, pension expense of \$871,829 was recognized and deferred outflows/inflows of resources related to pensions from the following sources were reported:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 1,727,583	\$ -
Changes of assumptions	959,723	161,434
Net difference between projected and actual earnings on pension plan investments	-	1,782,562
Changes in proportion and differences between the District's contributions and proportionate share of contributions	43,124	69,039
Contributions subsequent to the measurement date	<u>1,081,533</u>	<u>-</u>
Total	<u>\$ 3,811,963</u>	<u>\$ 2,013,035</u>

At fiscal year end, \$1,081,533 was recognized as a deferred outflow of resources related to pensions resulting from the contributions made subsequent to the measurement date. This outflow will be recognized as a reduction of the plan's net pension liability in the following fiscal year.

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Plan's Fiscal Year End:	
2025	\$ (839,807)
2026	1,956,753
2027	(326,886)
2028	(364,083)
2029	211,322
Thereafter	<u>80,096</u>
	<u>\$ 717,395</u>

12. PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability at the measurement date was determined by an actuarial valuation with update procedures used to roll forward the total pension liability to the measurement date, using the following actuarial valuations and assumptions:

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected salary increases	Rates for increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.3% compounded annually.										
Investment rate of return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

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

The demographic actuarial assumptions and the salary scales are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions. For the full details, please refer to the Recommended Actuarial Assumptions 2021 Report, which can be found on the System's website located at www.nystrs.org.

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

12. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The Long-Term Expected Real Rates of Return are presented by asset allocation classification. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target asset allocation as of the measurement date are summarized in the following table:

<u>Asset Class:</u>	<u>Target Allocation in %</u>	<u>Long-Term Expected Real Rate of Return in %*</u>
Domestic equity	33	6.6
International equity	15	7.4
Global equity	4	6.9
Real estate equity	11	6.3
Private equity	9	10.0
Domestic fixed income	16	2.6
Global bonds	2	2.5
Private debt	2	5.9
Real estate debt	6	3.9
High-yield bonds	1	4.8
Cash equivalents	1	0.5
	<u>100</u>	

*Real rates of return are net of pension plan investment expenses and long-term inflation expectations.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. 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 determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease <u>5.95%</u>	Current <u>Discount 6.95%</u>	1% Increase <u>7.95%</u>
Proportionate Share of Net Pension liability (asset)	<u>\$ 7,410,556</u>	<u>\$ (1,604,344)</u>	<u>\$ (9,186,116)</u>

12. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (000's)

The components of the current year net pension liability of the employers as of June 30, 2025, were as follows:

Total pension liability	\$ 142,837,826
Plan fiduciary net position	<u>145,821,434</u>
Plan net pension liability (asset)	<u>\$ (2,983,608)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>102.1%</u>

Payables to the Pension Plans

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS covered wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System.

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 covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

ERS Liability	\$ 117,716
TRS Liability	<u>1,170,110</u>
	<u>\$ 1,287,826</u>

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Plan Description

The District administers the Le Roy Central School District Retiree Medical, Prescription Vision and Dental Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). The Plan provides for continuation of medical, prescription vision and dental benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated in a trust that meets the criteria of GASB Statement No. 75, paragraph 4 for the sole purpose of paying benefits under the Plan.

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 BOE.

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

Funding Policy

The obligations of the Plan members, employers and other entities are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the District.

Employees Covered by Benefit Terms

As of the June 30, 2025 valuation date, the following employees were covered by the benefit terms:

Active employees, not eligible to retire	112
Active employees, eligible to retire	51
Retired employees and surviving spouses	37
Retiree spouses covered	<u>13</u>
Total participants	<u><u>213</u></u>

Total OPEB Liability

The District's total OPEB liability of \$1,150,026 was measured as of March 31, 2025, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.30%
Salary Scale	3.30%
Discount Rate	4.39%
Healthcare Cost Trend Rate	5.30% for 2025, decreasing to an ultimate rate of 3.71% after 2070
Cost Method	Entry Age Normal Level Percent of Pay method

The discount rate was based on a tax exempt, high-quality 20-year tax-exempt general obligation municipal bond yield or index rate.

Mortality rates were based on improvement scale updated to MP-2021.

Changes in the Total OPEB Liability

Balance at June 30, 2024	<u>\$ 1,197,190</u>
Changes for the Year-	
Service cost	26,749
Interest	42,678
Differences between expected and actual experience	54,305
Changes in assumptions or other inputs	(19,274)
Benefit payments	<u>(151,622)</u>
Net changes	<u>(47,164)</u>
Balance at June 30, 2025	<u><u>\$ 1,150,026</u></u>

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

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:

	1% Decrease <u>3.39%</u>	Current Discount <u>4.39%</u>	1% Increase <u>5.39%</u>
Total OPEB Liability	\$ <u>1,205,224</u>	\$ <u>1,150,026</u>	\$ <u>1,098,300</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 trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease <u>4.30% to 2.71%</u>	<u>Healthcare</u> Current Trend <u>5.30% to 3.71%</u>	1% Increase <u>6.30% to 4.71%</u>
Total OPEB Liability	\$ <u>1,076,457</u>	\$ <u>1,150,026</u>	\$ <u>1,232,142</u>

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 of \$182,068. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 310,208	\$ 468,432
Changes of assumptions	74,670	191,629
Contributions subsequent to the measurement date	<u>37,906</u>	<u>-</u>
Total	<u>\$ 422,784</u>	<u>\$ 660,061</u>

13. TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Fiscal Year Ending June:</u>	
2026	\$ (2,110)
2027	(48,877)
2028	(73,320)
2029	(84,395)
2030	(84,395)
Thereafter	<u>17,914</u>
	<u>\$ (275,183)</u>

14. RISK MANAGEMENT

General

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

Health Insurance Plan

The District is allowed to participate and incur costs related to an employee health insurance plan (the Plan) sponsored by the BOCES and its component districts, which is a public entity risk pool under Article 5-G of General Municipal Law. 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.

Districts joining the Plan must remain members for a minimum of one year. A member may withdraw from the Plan after that time by written notification to be provided prior to March 1st of the respective year. Plan members are subject 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 of 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 (including future claim adjustment expenses) costs depend on complex factors, the process used in computing claim liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims 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 expense in the periods in which they occur.

As of June 30, 2024, the date of the most recent audited financial statements, the Plan accrued a liability for incurred but not reported and incurred but not paid healthcare claims. The accrual was based upon historical trend information. As of June 30, 2024, the Plan's net position after provision for liabilities was \$21,419,701.

14. RISK MANAGEMENT (Continued)

Workers' Compensation

The District is a participant in the Genesee, Livingston, Steuben and Wyoming Workers' Compensation Plan (the Plan).

The Plan is a public entity risk pool which provides the District the opportunity to participate in a cooperative program for providing workers' compensation benefits to their employees by entering into an intermunicipal agreement pursuant to Article 5-G of General Municipal Law.

Membership is effective on the first day of the month following the Board's resolution to accept a new participant organization. Voluntary withdrawal from the Plan is effective only once annually on the last day of the plan year. Notice of intent to withdraw must be submitted in writing not less than 120 days prior to the end of the plan year (June 30). Premiums for coverage are determined annually by the Board of Directors after review of claim history information and consultation with various advisors. Participant organizations are billed in installments during the year.

No refunds or assessments, other than periodic premiums, are charged to the participant organizations, except in the case where the Plan's assets are not sufficient to meet liabilities. In that instance, a special assessment may be assessed against the participant organizations.

The Plan has established reserve liabilities which provide for expenditures to be made over the life of the claims. The reserve liabilities are based on estimates of the cost of claims (including future claim adjustment expenses) which have been reported but not settled, and of claims which have been incurred but not reported. Since actual claim costs depend on such complex factors as inflation and changes in doctrines of legal liability, the process used in estimating future claim liability does not result in an exact amount.

Estimated claim liability is calculated based on actuarial and statistical information which reflects recent settlements and other social and economic factors, as well as past experience. As the Plan continues to mature, the claim reserve liability should be developed to reflect the Plan's ultimate liability for claims incurred.

The plan was fully funded as of June 30, 2024, the date of the most recent financial statements, and its net position amounted to \$4,122,981.

15. CONTINGENCIES AND COMMITMENTS

Litigation

The District has also been named as a defendant in certain actions. The District intends to defend itself vigorously in each of these cases. Accordingly, no loss contingency has been accrued.

Grants

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

16. TAX ABATEMENTS

The Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively the Act), has three real property tax abatement agreements with various businesses in the District under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the District.

Generally, these agreements provide for a specific percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements. Should the property owner not comply with the policies and laws as set forth in each agreement, the PILOT will discontinue as outlined in each agreement.

As a result of these tax abatement agreements, for the year ended June 30, 2025, the District's total tax revenues were reduced by \$37,731.

Copies of the agreements may be obtained from the Le Roy Central School District, 2-6 Trigon Park, Le Roy, NY 14482.

SUPPLEMENTARY INFORMATION

LE ROY CENTRAL SCHOOL DISTRICT

Combining Balance Sheet - Nonmajor Governmental Funds June 30, 2025

	School Lunch	Miscellaneous Special Revenue	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 86,845	\$ 140,986	\$ 227,831
Investments	498,954	617,960	1,116,914
Investments - restricted	-	205,747	205,747
Accounts receivable	162	-	162
Due from federal and state governments	70,490	-	70,490
Inventory	57,667	-	57,667
	<u>714,118</u>	<u>964,693</u>	<u>1,678,811</u>
Total assets	<u>\$ 714,118</u>	<u>\$ 964,693</u>	<u>\$ 1,678,811</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 12,206	\$ -	\$ 12,206
Accrued liabilities	9,361	-	9,361
Due to other funds	2	-	2
Due to retirement systems	12,934	-	12,934
	<u>34,503</u>	<u>-</u>	<u>34,503</u>
Total liabilities	<u>34,503</u>	<u>-</u>	<u>34,503</u>
FUND BALANCES:			
Nonspendable	57,667	-	57,667
Restricted	621,948	964,693	1,586,641
	<u>679,615</u>	<u>964,693</u>	<u>1,644,308</u>
Total fund balances	<u>679,615</u>	<u>964,693</u>	<u>1,644,308</u>
Total liabilities and fund balances	<u>\$ 714,118</u>	<u>\$ 964,693</u>	<u>\$ 1,678,811</u>

LE ROY CENTRAL SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds For the Year Ended June 30, 2025

	School Lunch	Miscellaneous Special Revenue	Total Nonmajor Governmental Funds
REVENUES:			
Use of money and property	\$ 24,437	\$ 28,454	\$ 52,891
Miscellaneous	5,937	304,443	310,380
State sources	336,450	-	336,450
Federal sources	727,364	-	727,364
Sales - food service	115,966	-	115,966
	<u>1,210,154</u>	<u>332,897</u>	<u>1,543,051</u>
EXPENDITURES:			
Instruction	-	244,037	244,037
Employee benefits	99,644	-	99,644
Cost of sales	1,038,186	-	1,038,186
	<u>1,137,830</u>	<u>244,037</u>	<u>1,381,867</u>
CHANGE IN FUND BALANCE	72,324	88,860	161,184
FUND BALANCES - beginning of year	<u>607,291</u>	<u>875,833</u>	<u>1,483,124</u>
FUND BALANCES - end of year	<u>\$ 679,615</u>	<u>\$ 964,693</u>	<u>\$ 1,644,308</u>

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

LE ROY CENTRAL SCHOOL DISTRICT

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)
For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Encumbrances	Final Budget Variance With Budgetary Actual
REVENUES					
Real property taxes	\$ 10,695,160	\$ 10,695,160	\$ 10,690,742	\$ -	\$ (4,418)
Charges for services	70,000	70,000	155,423	-	85,423
Use of money and property	230,000	230,000	402,635	-	172,635
Sale of property and compensation for loss	10,000	10,000	2,676	-	(7,324)
Miscellaneous	210,000	210,000	520,848	-	310,848
State sources	19,233,660	19,233,660	20,429,123	-	1,195,463
Medicaid reimbursement	100,000	100,000	169,587	-	69,587
Total revenues	<u>30,548,820</u>	<u>30,548,820</u>	<u>32,371,034</u>	<u>-</u>	<u>1,822,214</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	72,615	75,770	75,770	-	-
Central administration	229,610	234,571	234,571	-	-
Finance	437,622	450,096	441,980	-	8,116
Staff	129,265	168,161	167,496	-	665
Central services	3,222,777	3,483,918	3,087,463	60,747	335,708
Special items	510,046	511,043	495,126	-	15,917
Total general support	<u>4,601,935</u>	<u>4,923,559</u>	<u>4,502,406</u>	<u>60,747</u>	<u>360,406</u>
INSTRUCTION:					
Instruction, administration, and improvement	919,215	1,021,947	1,008,027	255	13,665
Teaching - regular school	7,967,533	7,845,171	7,808,313	2,687	34,171
Programs for children with handicapping conditions	3,758,577	3,511,458	3,501,489	-	9,969
Occupational education	697,575	727,297	727,297	-	-
Teaching - special school	18,032	70,732	70,732	-	-
Instructional media	445,250	546,652	517,205	4,064	25,383
Pupil services	1,478,392	1,346,317	1,271,434	6,447	68,436
Total instruction	<u>15,284,574</u>	<u>15,069,574</u>	<u>14,904,497</u>	<u>13,453</u>	<u>151,624</u>
Pupil transportation	1,374,778	1,352,819	1,280,234	844	71,741
Bond anticipation note payable	5,475,539	5,409,338	5,380,293	-	29,045
Debt service	-	-	963,131	-	(963,131)
Total expenditures	<u>26,736,826</u>	<u>26,755,290</u>	<u>27,030,561</u>	<u>75,044</u>	<u>(350,315)</u>
Excess (deficiency) of revenue over expenditures	<u>3,811,994</u>	<u>3,793,530</u>	<u>5,340,473</u>	<u>(75,044)</u>	<u>1,471,899</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of leases	-	-	407,021	-	407,021
Proceeds from issuance of sbitas	-	-	267,002	-	267,002
Transfers in	-	-	1,520	-	1,520
Transfers out	(4,311,994)	(4,423,355)	(4,423,355)	-	-
Total other financing sources (uses)	<u>(4,311,994)</u>	<u>(4,423,355)</u>	<u>(3,747,812)</u>	<u>-</u>	<u>675,543</u>
CHANGE IN FUND BALANCES	<u>\$ (500,000)</u>	<u>\$ (629,825)</u>	1,592,661	<u>\$ (75,044)</u>	<u>\$ 2,147,442</u>
FUND BALANCE - beginning of year			<u>6,566,916</u>		
FUND BALANCE - end of year			<u>\$ 8,159,577</u>		

LE ROY CENTRAL SCHOOL DISTRICT

**Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios (Unaudited)
For the Year Ended June 30:**

	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability										
Service cost	\$ 27	\$ 28	\$ 61	\$ 58	\$ 48	\$ 44	\$ 15	\$ 10		
Interest	43	39	55	38	40	50	17	14		
Changes of benefit terms	-	-	(5)	104	-	-	-	-		
Differences between expected and actual experience	54	152	(679)	262	(56)	(168)	1,146	80		
Changes in assumptions	(19)	(9)	(183)	(130)	91	306	(113)	14		
Benefit payments	(152)	(131)	(69)	(68)	(97)	(96)	(69)	(64)		
Total change in total OPEB liability	(47)	79	(820)	264	26	136	996	54		
Total OPEB liability - beginning	1,197	1,118	1,938	1,674	1,648	1,512	516	462		
Total OPEB liability - ending	\$ 1,150	\$ 1,197	\$ 1,118	\$ 1,938	\$ 1,674	\$ 1,648	\$ 1,512	\$ 516		
Covered-employee payroll	\$ 10,170	\$ 9,833	\$ 9,629	\$ 9,826	\$ 9,499	Not Available	Not Available	Not Available		
Total OPEB liability as a percentage of covered-employee payroll	11.31%	12.17%	11.61%	19.72%	17.62%	0.00%	0.00%			

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	<u>4.39%</u>	<u>3.98%</u>	<u>3.78%</u>	<u>2.83%</u>	<u>2.27%</u>	<u>2.48%</u>	<u>3.44%</u>	<u>3.61%</u>	<u>3.80%</u>
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Changes of assumptions and other inputs reflect the following:

- The single discount rate changed from 3.98% to 4.39% effective June 30, 2025.
- The salary scale changed from 3.42% to 3.30%.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

LE ROY CENTRAL SCHOOL DISTRICT

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the Year Ended June 30:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability/asset	0.007083%	0.008115%	0.007728%	0.006673%	0.007177%	0.006858%	0.006974%	0.007241%	0.007472%	0.007810%
Proportionate share of the net pension liability (asset)	<u>\$ 1,214</u>	<u>\$ 1,195</u>	<u>\$ 1,657</u>	<u>\$ (545)</u>	<u>\$ (545)</u>	<u>\$ 1,816</u>	<u>\$ 494</u>	<u>\$ 234</u>	<u>\$ 702</u>	<u>\$ (1,253)</u>
Covered-employee payroll	<u>\$ 2,891</u>	<u>\$ 2,680</u>	<u>\$ 2,335</u>	<u>\$ 2,635</u>	<u>\$ 2,460</u>	<u>\$ 2,397</u>	<u>\$ 2,459</u>	<u>\$ 2,507</u>	<u>\$ 2,716</u>	<u>\$ 2,493</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>41.99%</u>	<u>44.59%</u>	<u>70.96%</u>	<u>-20.68%</u>	<u>-22.15%</u>	<u>75.76%</u>	<u>20.09%</u>	<u>9.33%</u>	<u>25.85%</u>	<u>-50.26%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>93.80%</u>	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.30%</u>	<u>98.20%</u>	<u>97.90%</u>	<u>90.70%</u>

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability/asset	0.053772%	0.053642%	0.054514%	0.053091%	0.053703%	0.053182%	0.052509%	0.053085%	0.053311%	0.051825%
Proportionate share of the net pension liability (asset)	<u>\$ (1,604)</u>	<u>\$ 613</u>	<u>\$ 1,046</u>	<u>\$ (9,200)</u>	<u>\$ (9,200)</u>	<u>\$ (1,382)</u>	<u>\$ (949)</u>	<u>\$ (404)</u>	<u>\$ 571</u>	<u>\$ 5,383</u>
Covered-employee payroll	<u>\$ 10,445</u>	<u>\$ 10,487</u>	<u>\$ 10,196</u>	<u>\$ 9,011</u>	<u>\$ 9,208</u>	<u>\$ 9,054</u>	<u>\$ 8,715</u>	<u>\$ 8,412</u>	<u>\$ 8,226</u>	<u>\$ 8,257</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>-15.36%</u>	<u>5.85%</u>	<u>10.26%</u>	<u>-102.10%</u>	<u>-99.91%</u>	<u>-15.26%</u>	<u>-10.89%</u>	<u>-4.80%</u>	<u>6.94%</u>	<u>65.19%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>102.10%</u>	<u>99.20%</u>	<u>98.60%</u>	<u>113.25%</u>	<u>97.75%</u>	<u>102.17%</u>	<u>101.50%</u>	<u>100.70%</u>	<u>99.01%</u>	<u>110.50%</u>

LE ROY CENTRAL SCHOOL DISTRICT

Schedule of Contributions - Pension Plans (Unaudited)

For the Year Ended June 30:

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 367	\$ 316	\$ 259	\$ 327	\$ 348	\$ 336	\$ 360	\$ 378	\$ 385	\$ 429
Contributions in relation to the contractually required contribution	<u>367</u>	<u>316</u>	<u>259</u>	<u>327</u>	<u>348</u>	<u>336</u>	<u>360</u>	<u>378</u>	<u>385</u>	<u>429</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,891	\$ 2,680	\$ 2,335	\$ 2,578	\$ 2,392	\$ 2,473	\$ 2,540	\$ 2,592	\$ 2,716	\$ 2,493
Contributions as a percentage of covered-employee payroll	<u>12.69%</u>	<u>11.79%</u>	<u>11.09%</u>	<u>12.68%</u>	<u>14.55%</u>	<u>13.59%</u>	<u>14.17%</u>	<u>14.58%</u>	<u>14.18%</u>	<u>17.21%</u>

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (in 000's)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,002	\$ 1,019	\$ 946	\$ 944	\$ 859	\$ 808	\$ 937	\$ 838	\$ 986	\$ 1,095
Contributions in relation to the contractually required contribution	<u>1,002</u>	<u>1,019</u>	<u>946</u>	<u>944</u>	<u>859</u>	<u>808</u>	<u>937</u>	<u>838</u>	<u>986</u>	<u>1,095</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 10,445	\$ 10,487	\$ 10,196	\$ 9,872	\$ 9,011	\$ 9,208	\$ 9,054	\$ 8,715	\$ 8,413	\$ 8,226
Contributions as a percentage of covered-employee payroll	<u>9.59%</u>	<u>9.72%</u>	<u>9.28%</u>	<u>9.56%</u>	<u>9.53%</u>	<u>8.77%</u>	<u>10.35%</u>	<u>9.62%</u>	<u>11.72%</u>	<u>13.31%</u>

**OTHER INFORMATION
(UNAUDITED)**

LE ROY CENTRAL SCHOOL DISTRICT

**Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)
For the Year Ended June 30, 2025**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 31,048,820
Add: Prior year's encumbrances	<u>129,825</u>
Original budget	31,178,645
Budget revisions	<u>-</u>
Final budget	<u>\$ 31,178,645</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-2026 voter-approved expenditure budget	<u>\$ 32,035,588</u>
Maximum allowed (4% of 2025-2026 budget)	<u>\$ 1,281,424</u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 575,044
Unassigned fund balance	<u>1,428,687</u>
Total unrestricted fund balance	<u>2,003,731</u>

Less:

Appropriated fund balance	500,000
Encumbrances included in assigned fund balance	<u>75,044</u>
Total adjustments	<u>\$ 575,044</u>

Bond anticipation note payable	<u>\$ 1,428,687</u>
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Actual percentage	<u>4.46%</u>
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LE ROY CENTRAL SCHOOL DISTRICT

**Schedule of Project Expenditures - Capital Projects Fund (Unaudited)
For the Year Ended June 30, 2025**

Project Title	Capital Expenditures					Methods of Financing					Fund Balance as of 6/30/2025
	Original Appropriation	Revised Appropriation	Prior Year's Expenditures	Current Year Expenditures	Total Expenditures	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total Financing	
Asset Preservation Project	\$ 12,131,596	\$ 12,767,971	\$ 12,745,901	\$ 22,070	\$ 12,767,971	\$ -	\$ 10,155,000	\$ -	\$ 2,612,971	\$ 12,767,971	\$ -
Soccer Stadium Project	12,516,872	12,516,872	248,776	1,917,325	2,166,101	10,350,771	-	-	2,964,105	2,964,105	798,004
Library Roof Project	126,000	269,000	249,675	17,915	267,590	1,410	-	181,575	-	181,575	(86,015)
Wolcott Street School Door Project 24-25	100,000	113,825	-	113,825	113,825	-	-	-	113,825	113,825	-
Bus/Vehicle purchases:											
2017-18	313,000	265,000	505,105	-	505,105	(240,105)	-	-	-	-	(240,105)
2018-19	370,000	331,000	325,856	-	325,856	5,144	-	-	331,000	331,000	5,144
2019-20	368,000	308,000	303,816	-	303,816	4,184	-	-	246,400	246,400	(57,416)
2020-21	384,000	384,000	370,622	-	370,622	13,378	-	-	318,604	318,604	(52,018)
2021-22	423,000	390,000	399,942	-	399,942	(9,942)	-	-	234,000	234,000	(165,942)
2022-23	280,000	280,000	261,155	-	261,155	18,845	-	-	143,704	143,704	(117,451)
2023-24	390,000	390,000	-	342,613	342,613	47,387	-	-	78,000	78,000	(264,613)
2024-25	500,000	444,000	-	317,787	317,787	126,213	-	-	444,000	444,000	126,213
	<u>\$ 27,902,468</u>	<u>\$ 28,459,668</u>	<u>\$ 15,410,848</u>	<u>\$ 2,731,535</u>	<u>\$ 18,142,383</u>	<u>\$ 10,317,285</u>	<u>\$ 10,155,000</u>	<u>\$ 181,575</u>	<u>\$ 7,486,609</u>	<u>\$ 17,823,184</u>	<u>\$ (54,199)</u>

LE ROY CENTRAL SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited) June 30, 2025

Capital assets, net	\$ 40,098,701
Deduct:	
Bond anticipation note payable	(1,113,693)
Short-term portion of bonds payable	(2,180,000)
Long-term portion of bonds payable	(20,315,000)
Unamortized premium	(2,043,376)
Lease liability	(300,296)
SBITA liability	(22,725)
Accounts payable for capital purposes	<u>(443,007)</u>
Net investment in capital assets	<u>\$ 13,680,604</u>

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

October 14, 2025

To the Board of Education of the
Le Roy Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Le Roy Central School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 14, 2025.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.