

PRELIMINARY OFFICIAL STATEMENT

NEW & RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Harris Beach Murtha Cullina PLLC, Bond Counsel to the District, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the 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 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 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). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

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

\$35,485,000
PITTSFORD CENTRAL SCHOOL DISTRICT
MONROE & ONTARIO COUNTIES, NEW YORK
\$35,485,000 Bond Anticipation Notes, 2026
(the "Notes")

Dated: June 25, 2026

Due: June 25, 2027

The Notes are general obligations of the Pittsford Central School District, Monroe and Ontario Counties, New York, 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 "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 as registered book-entry form notes or in registered certificated form, registered in the name of the purchaser. If such Notes are issued as registered in certificated form, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued in registered book-entry form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased. Individual purchases will be issued in book-entry-only form, in denominations of \$5,000 or integral multiples thereof. Payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. 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 on or about June 25, 2026.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on June 9, 2026, by no later than 10:45 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via 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 for the Notes.

June 3, 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 NOTICE OF CERTAIN EVENTS AS REQUIRED BY THE RULE. SEE "APPENDIX-C, UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS" HEREIN.

Pittsford Schools

2025-2026 BOARD OF EDUCATION

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President



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Bond Schoneck & King PLLC
School District Attorney



FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

HARRIS BEACH MURTHA
ATTORNEYS AT LAW

HARRIS BEACH MURTHA CULLINA PLLC
Bond Counsel

No person has been authorized by the Pittsford 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 Pittsford Central School District.

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PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
 250 South Clinton Walton Street, Suite 502
 Syracuse, New York 13202
 (315) 752-0051
<http://www.fiscaladvisors.com>

OFFICIAL STATEMENT
of the
PITTSFORD CENTRAL SCHOOL DISTRICT
MONROE & ONTARIO COUNTIES, NEW YORK

Relating To
\$35,485,000 Bond Anticipation Notes, 2026

This Official Statement, which includes the cover page, has been prepared by the Pittsford Central School District, Monroe & Ontario Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the District of \$35,485,000 principal amount of Bond Anticipation Notes, 2026 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District 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.

NATURE OF OBLIGATION

Each Note 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" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the 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.

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 OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

The Notes will be dated June 25, 2026 and will mature on June 25, 2027. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the purchaser(s) either (i) requested in the name of the purchaser, in certificated denominations of \$5,000 or integral multiples thereof; or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purposes of Issue

On March 28, 2023, District voters approved a capital improvement project in the amount of \$69,822,169. The core of the work includes fortifying main entrances with double-door vestibules, securing large areas of assembly with intruder locks, and installing emergency generators at each of the District's nine school buildings. The capital project will be funded with a combination of State building aid, \$14,000,000 in capital reserve funds of the District with the balance of \$55,822,169 to be financed through the issuance of bond anticipation notes and serial bonds pursuant to a bond resolution adopted by the Board of Education of the District on April 18, 2023.

The proceeds of the Notes, along with \$2,350,000 available funds of the District, will partially redeem and renew the outstanding \$15,835,000 notes, and will provide \$22,000,000 of new money for the aforementioned purposes.

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.

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

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

The District may decide to discontinue use of the system of book-entry 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 OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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. 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 covers approximately 30 square miles and is 10 miles from the City of Rochester. The District is primarily a residential community and includes the incorporated Village of Pittsford, a major portion of the Town of Pittsford and small portions of the Towns of Perinton, Mendon, Brighton and Penfield in Monroe County and the Town of Victor in Ontario County. The majority of residents are employed in professional and executive positions.

Electricity and natural gas are provided throughout the District by Rochester Gas and Electric Corporation. Police protection is provided by the Monroe County Sheriff's Department and the New York State Police. The Pittsford Volunteer Fire Department provides fire protection. Educational opportunities include a number of public and private institutions. Within a five-mile radius are the Rochester Institute of Technology, the University of Rochester, St. John Fisher College, Nazareth College and Monroe County Community College.

Available transportation in the area includes air, bus, rail and major commercial carriers. Major highways include Routes #390, #490 and #590, all of which feed on to and off of the New York State Thruway system. The District is also served by a substantial number of commercial and savings banks.

Source: District Officials.

Population

The 2024 estimated population of the District is 34,905. (Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates.)

Note: U.S. Census Bureau, 2021-2025 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

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 includes the District, are the Towns and 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 this 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:						
Pittsford	\$ 50,484	\$ 64,352	\$ 72,781	\$ 114,456	\$ 149,096	\$ 179,162
Perinton	38,306	47,728	61,302	94,209	112,527	137,020
Mendon	43,537	51,050	71,425	111,700	127,675	160,078
Brighton	37,610	23,297	58,576	85,906	87,188	132,540
Penfield	34,767	45,759	58,565	89,615	116,600	145,564
Victor	42,401	50,926	65,077	106,573	128,274	145,975
Counties of:						
Monroe	26,999	35,339	44,107	65,240	82,439	102,166
Ontario	28,950	37,044	46,303	69,877	83,153	105,339
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Source: 2006-2010, 2016-2020 and 2020-2024 American Community Survey 5-Year Estimates.

Note: U.S. Census Bureau, 2021-2025 American Community Survey 5-Year Estimates data is not available as of the date of this Official Statement.

Larger Employers

The larger employers located within the area in and around the District include the following:

<u>Company</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Pittsford Central School District	Public Education	1,268
Wegman's Properties, Inc.	Grocery Store	943
St. John Fisher College	Higher Education	853
Nazareth College	Higher Education	760
Maximus	Health	512

Source: District officials.

Unemployment Rate Statistics

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 Monroe and Ontario Counties. The figures set below with respect to such Counties and the State of New York are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Counties or State are 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>
Monroe County	4.0%	8.2%	5.2%	3.4%	3.4%	3.7%	3.8%
Ontario County	3.7	6.9	4.3	3.2	3.2	3.3	3.4
New York State	3.9	9.8	7.0	4.3	4.0	4.2	4.3

	<u>2026 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
Monroe County	4.2%	4.6%	4.2%	N/A	N/A	N/A
Ontario County	4.1	4.5	4.0	N/A	N/A	N/A
New York State	4.7	5.2	4.4	N/A	N/A	N/A

Note: Unemployment rates for the months of April, May and June 2026 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 School Government

The Board of Education, 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 is 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.

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, as amended, 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 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 1,731 yes to 433 no. The District’s adopted budget for the 2025-26 fiscal year included a total tax levy increase of 2.34%, which was equal to the District’s tax levy limit of 2.34% for the 2025-26 fiscal year.

The budget for the 2026-27 fiscal year was approved by qualified voters on May 19, 2026 by a vote of 2,251 yes to 617 no. The District’s adopted budget for the 2026-27 fiscal year included a total tax levy increase of 2.69%, which was equal to the District’s tax levy limit of 2.69% for the 2026-27 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time 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 School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the 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.

State Aid

The District receives financial assistance from the State. In its budget for the 2026-2027 fiscal year, approximately 23.63% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner in any year municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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”).

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in 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, twenty-eight (28) 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 2026-2027 preliminary building aid ratios, the District expects to receive State building aid of approximately 70.5% 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

School district fiscal year (2021-2022): The State's 2021-22 Budget included \$29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget 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 Budget provided \$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 Budget also programed \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist 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 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 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 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 Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional \$150 million was 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 Budget provided \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. 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 Budget maintained the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 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 Budget includes approximately \$37 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. The State’s 2025-26 Budget also makes 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 Litigation

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

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

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSEER 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 *NYSEER* 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 available 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.

The State’s 2025-26 Budget also makes 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 General Fund revenues of the District for each of the below completed fiscal years, the budgeted and unaudited figures for the 2025-2026 and budgeted figures for the 2026-2027 fiscal years 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	\$138,696,193	\$22,971,404	16.56%
2021-2022	144,497,331	25,555,676	17.69
2022-2023	153,193,221	29,466,630	19.23
2023-2024	162,195,464	36,501,938	22.50
2024-2025	167,554,109	37,124,899	22.16
2025-2026 (Budgeted)	165,381,110 ⁽²⁾	36,980,714	22.38
2025-2026 (Unaudited)	168,390,709	38,792,914	23.03
2026-2027 (Budgeted)	172,925,435 ⁽³⁾	40,868,376	23.63

- (1) Does not include interfund transfers.
- (2) Does not include \$2,836,992 of appropriated fund balance.
- (3) Does not include \$3,436,992 of appropriated fund balance.

Source: 2020-2021 through and including the 2024-2025 audited financial statements, 2025-2026 unaudited projections, and the 2025-2026 and 2026-2027 adopted budgets (unaudited) of the District.

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Renovations</u>
Allen Creek Elementary	K-5	442	1929, 1990, 2006, 2011, 2016
Jefferson Road Elementary	K-5	681	1957, 1990, 2006, 2011, 2015
Mendon Center Elementary	K-5	856	1962, 1990, 2006, 2015, 2023
Park Road Elementary	K-5	780	1964, 1990, 2006, 2015, 2019, 2021
Thornell Road Elementary	K-5	702	1970, 1990, 2006, 2016
Barker Road Middle School	6-8	1,410	1966, 1996, 2009, 2011, 2016, 2020
Calkins Road Middle School	6-8	1,398	2006
Pittsford Mendon High School	9-12	1,238	1972, 1990, 2006, 2009, 2015, 2016
Pittsford Sutherland High School	9-12	1,245	1951, 1990, 2006, 2014, 2015, 2017, 2018

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-2022	5,523	2026-2027	5,591
2022-2023	5,528	2027-2028	5,567
2023-2024	5,597	2028-2029	5,577
2024-2025	5,459	2029-2030	5,572
2025-2026	5,563	2030-2031	5,613

Source: District officials.

Employees

The District employs a total of 1,169 full-time equivalent employees. Employees which are represented by various bargaining units are outlined below:

<u>Number of Employees</u>	<u>Union</u>	<u>Contract Expiration Date</u>
846	Pittsford District Teachers' Association	6/30/2027
100	Pittsford Maintenance, Custodial & Mechanics Association	6/30/2026 ⁽¹⁾
91	Pittsford Bus Drivers' Association	6/30/2026 ⁽¹⁾
61	Pittsford Central School Association of Educational Office Personnel	6/30/2027
11	Pittsford School Food Service Personnel	6/30/2026 ⁽¹⁾
23	Pittsford District Administrators' Association	6/30/2028
26	Pittsford District Supervisory & Technical Association	6/30/2028
11	Pittsford District Managerial/Confidential	6/30/2027

⁽¹⁾Currently in negotiations.

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 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 vest after ten years of credited service. 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 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.
- 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 will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years, 2025-2026 unaudited projections, and budgeted figures for the 2025-2026 and 2026-2027 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 2,071,372	\$ 4,606,436
2021-2022	2,132,267	4,853,474
2022-2023	1,776,966	5,043,545
2023-2024	2,118,033	5,609,212
2024-2025	2,626,647	6,026,119
2025-2026 (Budgeted)	3,124,032	5,289,671
2025-2026 (Unaudited)	3,156,669	5,051,997
2026-2027 (Budgeted)	3,481,323	5,181,490

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.

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 offered early retirement incentives during the 2024-2025 fiscal year to 27 employees resulting in \$125,200 costs and approximately \$250,000 in savings. The District also offered early retirement incentives during the 2025-2026 fiscal year to 8 employees resulting in \$6,000 costs and approximately \$440,000 in savings

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

A chart of average ERS and TRS rates as a percent of payroll (2022-23 to 2026-27) is shown below:

<u>State Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
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.

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable

duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

The District is not participating 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, includes 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 established and funded a TRS Reserve.

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 will require governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits. GASB Statement No. 45 ("GASB 45") of the Governmental Accounting Standards Board ("GASB"), described below, requires such accounting.

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.

GASB 75 and OPEB. In 2015, GASB released new accounting standards for public other postemployment 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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires school districts to report 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 requires school districts to calculate and report a net other postemployment benefit 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.

Actuarial valuation is required every two years for all OPEB plans, except the alternative measurement method continues to be available for plans with less than 100 members.

The District contracted with The Burke Group through Erie 1 BOCES to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2024 and 2025 fiscal years, by source:

	2023	2024
Balance beginning at July 1:	<u>\$ 231,437,656</u>	<u>\$ 161,998,127</u>
<u>Changes for the year:</u>		
Service cost	6,293,138	3,822,321
Interest	8,693,645	6,333,351
Changes in benefit terms	(1,320,628)	-
Differences between expected and actual experience	(69,657,079)	19,680,204
Changes in assumptions or other inputs	(5,708,429)	(6,941,695)
Benefit payments	<u>(7,740,176)</u>	<u>(6,691,036)</u>
Net Changes	<u>\$ (69,439,529)</u>	<u>\$ 16,203,145</u>
Balance ending at June 30:	<u>2024</u>	<u>2025</u>
	<u>\$ 161,998,127</u>	<u>\$ 178,201,272</u>

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District’s OPEB liability, see “APPENDIX – D” attached hereto.

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.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

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.

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-D” to this Official Statement. Certain summary financial information of the District can also be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school 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.

Anticipated Unaudited Results of Operations for Fiscal Year Ending June 30, 2026

Based on preliminary estimates, the District ended the fiscal year ending June 30, 2026 with a cumulative unappropriated unreserved fund balance of \$7,060,897.

Summary unaudited information for the General Fund for the period ending June 30, 2026 is as follows:

	Revenues:	\$168,390,709
	Expenditures:	163,546,291
	Excess (Deficit) Revenues Over Expenditures:	\$ 4,844,418
	Beginning Fund Balance June 30, 2025:	\$ 63,316,528
	Total Fund Balance (including reserves) June 30, 2026:	<u>\$ 68,160,946</u>

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

New York State Comptroller Report of Examination

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

The State Comptroller’s office released its most recent audit report of the District on December 10, 2021. The purpose of the audit was to determine whether District officials accurately compensated employees for the period July 1, 2019 through February 28, 2021.

Key finding and recommendations from the audit report are summarized below:

Key Findings

District officials accurately compensated the 63 employees tested. However, officials did not ensure:

- Payroll certifications were completed in a timely manner.
- Payroll process inefficiencies were identified and corrected.

Key Recommendations

- Certify payrolls prior to the distribution of paychecks and processing of direct deposits.
- Routinely review the payroll process for efficiency improvement opportunities.

The District provided a complete response to the State Comptroller’s office on November 12, 2021. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller’s audits 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.

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 reports of the State Comptroller for the 2020-2021 through 2024-2025 fiscal years of the District are as follows:

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

Note: The Fiscal Score for the 2024-2025 fiscal year has not been calculated as of the date of this Official Statement.

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

TAX INFORMATION

Taxable Assessed 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:					
Pittsford	\$ 3,106,781,968	\$ 3,133,872,309	\$ 3,172,989,603	\$ 3,194,012,931	\$ 3,207,130,247
Perinton	622,646,836	625,005,948	620,230,169	616,107,412	614,748,176
Mendon	62,096,569	62,795,548	64,207,120	66,340,801	68,966,977
Brighton	169,886,187	163,685,906	165,144,831	165,574,727	160,483,633
Penfield	17,013,323	21,636,278 ⁽¹⁾	22,130,786	22,791,403	22,573,402
Victor	54,878,802	54,754,802	54,529,071	54,443,912	54,385,638
Total Assessed Valuations	<u>\$ 4,033,303,685</u>	<u>\$ 4,061,750,791</u>	<u>\$ 4,099,231,580</u>	<u>\$ 4,119,271,186</u>	<u>\$ 4,128,288,073</u>

State Equalization Rates

Towns of:					
Pittsford	91.00%	82.00%	72.00%	66.00%	57.00%
Perinton	93.00%	80.00%	71.00%	62.00%	57.00%
Mendon	93.00%	78.00%	68.00%	62.00%	61.00%
Brighton	95.00%	89.00%	70.00%	65.00%	59.00%
Penfield	85.00%	100.00% ⁽¹⁾	94.00%	87.00%	75.00%
Victor	99.00%	89.00%	79.00%	68.00%	67.00%
Total Taxable Full Valuation	<u>\$ 4,404,605,723</u>	<u>\$ 4,950,635,322</u>	<u>\$ 5,703,404,575</u>	<u>\$ 6,301,128,397</u>	<u>\$ 7,201,387,104</u>

⁽¹⁾ Significant change from prior year due to town-wide revaluation.

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:					
Pittsford	\$ 27.20	\$ 27.53	\$ 27.24	\$ 27.62	\$ 28.64
Perinton	26.61	28.21	27.61	29.39	28.63
Mendon	26.62	28.95	28.84	29.40	26.76
Brighton	26.06	25.37	28.01	28.05	27.67
Penfield	29.12	22.57 ⁽¹⁾	20.86	20.94	21.76
Victor	26.31	26.71	26.30	28.47	25.90

⁽¹⁾ Significant change from prior year due to town-wide revaluation.

Source: District officials.

Tax Levy and Tax 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	\$ 109,113,596	\$ 111,869,614	\$ 111,953,539	\$ 114,967,504	\$ 117,659,555
Amount Uncollected ⁽¹⁾	2,102,197	2,024,032	2,052,258	2,082,511	2,053,628
% Uncollected	1.93%	1.81%	1.83%	1.81%	1.75%

⁽¹⁾ The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Tax Collection Procedure

District taxes are due September 1st. If paid by September 30th, no penalty is imposed. A 2% penalty is charged if paid by the end of October, and a 5% penalty is charged if paid in November, prior to November 15th for Monroe County properties. Ontario County taxpayers pay a 2% penalty for October, with taxes accepted to October 31st only. At the end of the collection period, a list of all unpaid taxes is given to the County Treasurers for re-levy on County/Town tax rolls with additional penalties. The District is reimbursed by the Counties for all unpaid taxes to assure 100% collection of its tax levy each year.

Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below completed fiscal years, the budgeted and unaudited figures for the 2025-2026 and budgeted figures for the 2026-2027 fiscal years comprised of Real Property Taxes and Tax Items.

<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	\$138,696,193	\$107,061,713	77.19%
2021-2022	144,497,331	109,131,155	75.52
2022-2023	153,193,221	111,945,192	73.07
2023-2024	162,195,464	112,042,591	69.08
2024-2025	167,554,109	115,061,179	68.67
2025-2026 (Budgeted)	165,221,110 ⁽²⁾	117,659,555	71.22
2025-2026 (Unaudited)	168,390,709	117,772,910	69.94
2026-2027 (Budgeted)	172,925,435 ⁽³⁾	120,820,280	69.87

⁽¹⁾ Does not include interfund transfers.

⁽²⁾ Does not include \$2,836,992 of appropriated fund balance.

⁽³⁾ Does not include \$3,436,992 of appropriated fund balance.

Source: 2020-2021 through and including the 2024-2025 audited financial statements, 2025-2026 unaudited projections, 2025-2026 and 2026-2027 adopted budgets (unaudited) of the District.

Ten Largest Taxpayers – 2025 Assessment Roll for 2025-2026 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
Rochester Gas & Electric Corp.	Utility	\$142,855,200
Pittsford Plaza SPE, LLC	Commercial	58,358,800
Highland Community Development Corp.	Senior Living Facility	55,979,100
Cloverwood Living Sr. Inc.	Senior Living Facility	43,285,500
Corporate Crossings	Office Space	33,808,800
ROC Office LLC	Commercial	33,245,700
99 Garnsey Road	Commercial	27,193,000
Wegman’s Food Markets Inc.	Commercial	22,108,600
Widewaters Woodcliff Co LLC	Hotel	21,052,700
The Uniland Partnership	Real Estate	19,895,435

The ten larger taxpayers listed above have a total full valuation of \$457,782,835 which represents 6.36% of the 2025-2026 tax base of the District.

As of the date of this Official Statement, the District does not have any pending or outstanding tax certioraris that are known or expected to have a material impact on the District. A tax certiorari reserve is in place to cover any tax repayments that may be required.

Source: District Tax Rolls

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$98,700 or less in 2023-2024, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 for the 2023-24 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

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

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to the COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

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

The below table lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Town of:			
Pittsford	\$ 50,580	\$ 17,620	4/10/2026
Perinton	88,500	30,000	4/10/2026
Mendon	53,990	18,300	4/10/2026
Brighton	52,220	18,820	4/10/2026
Penfield	66,670	23,230	4/10/2026
Victor	59,300	20,100	4/10/2026

\$3,235,975 of the District’s \$117,659,555 school tax levy for the 2025-2026 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2026.

Approximately \$3,223,217 of the District’s \$120,820,280 school tax levy for 2026-2027 is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2027.

Additional Tax Information

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

Senior citizens’ exemptions and volunteer fire/ambulance exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Agricultural-1%, Residential-97% and Commercial-2%.

The estimated total annual property tax bill of a \$175,000 market value residential property located in the District is approximately \$4,778 including School District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor. The Tax Levy 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. It was set to expire on June 15, 2020 unless extended; however, recent legislation has made it permanent. 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, and is applicable to the Notes.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized by the Board of Education and 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.

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.

Debt Limit. 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 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 equalization rate which such assessed valuation bears to the full valuation; such rate is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such rate shall be determined.

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

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

Except on rare occasions, the District complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 52,790,000	\$ 45,030,000	\$ 35,335,000	\$ 32,320,000	\$ 29,145,000
Bond Anticipation Notes	0	0	0	2,775,000	15,835,000
Energy Performance Contract	0	0	0	0	0
Lease Obligations ⁽¹⁾	<u>0</u>	<u>312,864</u>	<u>223,485</u>	<u>144,128</u>	<u>389,440</u>
Total Debt Outstanding	<u>\$ 52,790,000</u>	<u>\$ 45,342,864</u>	<u>\$ 35,558,485</u>	<u>\$ 35,239,128</u>	<u>\$ 45,369,440</u>

⁽¹⁾ Lease purchase agreements 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. In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. See "Lease Obligations" herein.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 3, 2026:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2026-2034	\$25,815,000
<u>Bond Anticipation Notes</u>		
Capital Project	June 26, 2026	<u>15,835,000⁽¹⁾</u>
	Total Indebtedness	<u>\$ 44,980,000</u>

⁽¹⁾- To be partially redeemed and renewed at maturity with the proceeds of the Notes and \$2,350,000 available funds of the District.

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. Energy Performance Contracts and lease purchase financing is not included in this summary, but does count toward the debt limit.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 3, 2026:

Full Valuation of Taxable Real Property	\$ 7,201,387,104
Debt Limit 10% thereof	720,138,710

Inclusions:

Bonds.....	\$ 25,815,000	
Bond Anticipation Notes (BANs):.....	<u>15,835,000</u>	
Total Inclusions prior to issuance of the Notes	<u>41,650,000</u>	
Less: BANs being redeemed from appropriations	(2,350,000)	
Add: New money proceeds of the Notes	<u>22,000,000</u>	
Total Net Inclusions after issuance of the Notes		<u>\$ 61,300,000</u>

Exclusions:

State Building Aid ⁽¹⁾	\$ 0	
Total Exclusions.....		<u>\$ 0</u>

Total Net Indebtedness \$ 61,300,000

Net Debt-Contracting Margin \$ 658,838,710

The percent of debt contracting power exhausted is 11.75%

⁽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 2026-2027 Building Aid Ratios, the School District anticipates State Building aid of 70.5% 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: 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. Energy Performance Contracts and lease purchase financing is not included in this summary, but does count toward the debt limit.

Bonded Debt Service

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

Cash Flow Borrowings

The District, historically, does not issue tax anticipation notes and/or revenue anticipation notes, and does not expect to issue such notes in the foreseeable future.

Lease Obligations

The following is a summary of debt service requirements for lease liabilities as of June 30, 2025:

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 116,857	\$ 13,754	\$ 130,611
2027	90,361	9,765	100,126
2028	88,510	5,952	
2029	76,407	2,151	78,558
2030	17,305	230	17,535
TOTAL	<u>\$ 389,440</u>	<u>\$ 31,852</u>	<u>\$ 326,830</u>

Source: 2025 Audited Financial Statement of the District, attached hereto as "APPENDIX –D".

Energy Performance Contracts

On January 15, 2026, the District entered into an energy performance contract to finance the installation of LED lighting upgrade, building envelope improvements, water conservation improvements, pipe and valve insulation, boiler controllers, walk-in cooler/ freezer controls, roof mounted and carport solar photovoltaic systems, heat pump replacement, building controls optimization, plug load controls and computer power management

The following is a summary of debt service requirements for the energy performance contract:

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ -	\$ -
2027	-	508,382	508,382
2028	636,325	508,382	1,144,707
2029	635,000	482,802	1,117,802
2030	665,000	457,275	1,122,275
2031	695,000	430,542	1,125,542
2032	725,000	402,603	1,127,603
2033	755,000	373,458	1,128,458
2034	790,000	343,107	1,133,107
2035	825,000	311,349	1,136,349
2036	865,000	278,184	1,143,184
2037	900,000	243,411	1,143,411
2038	940,000	207,231	1,147,231
2039	985,000	169,443	1,154,443
2040	1,030,000	129,846	1,159,846
2041	1,075,000	88,440	1,163,440
2042	1,125,000	45,225	1,170,225
TOTAL	<u>\$ 12,646,325</u>	<u>\$ 4,979,681</u>	<u>\$ 17,626,006</u>

Capital Project Plans

On March 28, 2023, District voters approved a capital improvement project in the amount of \$69,822,169. The core of the work includes fortifying main entrances with double-door vestibules, securing large areas of assembly with intruder locks, and installing emergency generators at each of the District’s nine school buildings. The capital project will be funded with a combination of State building aid, \$14,000,000 capital reserve funds of the District and the balance of \$55,822,169 to be financed through the issuance of bond anticipation notes and serial bonds.

On December 20, 2023, the District issued \$3,100,000 bond anticipation notes for design phase expenses and as the initial borrowing against this authorization which matured on June 20, 2024. The bond anticipation notes were redeemed in full at maturity with available District funds. On June 27, 2024, the District issued \$2,775,000 bond anticipation notes as the second borrowing against said authorization which mature on June 27, 2025. The bond anticipation notes were redeemed in full at maturity with available District funds. The District issued bond anticipation notes on June 26, 2025 to provide \$15,835,000 new money for the aforementioned purpose. The Notes, along with \$2,350,000 available funds of the District, will partially redeem and renew the outstanding bond anticipation notes and will provide \$22,000,000 new money for this purpose.

On March 5, 2026, District voters approved a \$48,700,000 project to address priority infrastructure needs identified in the New York State mandated Building Condition Survey (BCS). This project will focus on essential repairs, upgrades, and modernizations to maintain a safe and efficient learning environment for students and staff. Future borrowings will be pursuant to SED approval and cash flow needs.

There are currently no other capital projects authorized or contemplated by the District 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 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:				
Monroe	12/31/2024	\$ 645,492,834	8.59%	\$ 55,447,834
Ontario	12/31/2024	16,655,757	0.52%	86,610
Town of:				
Brighton	12/31/2024	44,500	5.33%	2,372
Mendon	12/31/2024	1,415,000	6.54%	92,541
Penfield	12/31/2024	21,160,000	0.49%	103,684
Perinton	12/31/2024	16,155,000	14.24%	2,300,472
Pittsford	12/31/2024	1,312,407	93.86%	1,231,825
Victor	12/31/2024	7,930,000	2.55%	202,215
Village of:				
Pittsford	5/31/2025	66,173	100.00%	66,173
			Total:	\$ 59,533,726

⁽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 June 3, 2026:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 61,300,000	\$ 1,756.20	0.85%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	120,833,726	3,461.79	1.68

- (a) The 2024 estimated population of the District is 34,905. (See “THE SCHOOL DISTRICT – Population” herein.)
- (b) The District's full value of taxable real estate for 2025-2026 is \$7,201,387,104. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated gross overlapping indebtedness is \$59,533,726. (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 School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the 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 and/or note issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and/or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. 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 and/or notes of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds and/or notes of the school district found to be in default and the amount of principal and interest thereon past due.

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

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any 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 School District may not be enforced by levy and execution against property owned by the School District.

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

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 risk.

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

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. (See also "THE SCHOOL DISTRICT – 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, could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Current and future legislative proposals, if enacted into law, or clarification of the Internal Revenue Code of 1986, as amended (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.

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.

COVID-19. 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. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. A new outbreak of the disease could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. (See also "THE SCHOOL DISTRICT – State Aid").

TAX MATTERS

In the opinion of Harris Beach Murtha Cullina PLLC, Pittsford, New York, Bond Counsel to the 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 for interest on the Notes to 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 to be executed in connection with the issuance of the Notes, the District will covenant to comply with certain procedures and will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code with 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 Notes will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, 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 WITH THEIR TAX ADVISOR 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 opinion will also state that (i) in rendering the opinion 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 accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (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 bond or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of bonds 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 Notice of Certain Events, descriptions of which is attached hereto as “APPENDIX – C.”

Historical 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 municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. 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 the Municipal Advisor are partially contingent on the successful closing of the Notes.

RATING

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

Moody’s Investors Service (“Moody’s”) has assigned their rating of “Aa1” to the District’s outstanding serial bonds. 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, 250 Greenwich St., New York, New York 10007. Phone: (212) 553-0038, Fax: (212) 553-1390.

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 bonds.

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, Pittsford, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the 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's contact information is as follows: Mr. Michael Vespi, Assistant Superintendent for Business, Pittsford Central School District, Business Office, Barker Road East Offices, 75 Barker Road, Pittsford, New York 14534, Phone (585) 267-1053, Fax: (585) 381-9368, Email michael_vespi@pittsford.monroe.edu

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

PITTSFORD CENTRAL SCHOOL DISTRICT

Dated: June 3, 2026

JEFFERY CASEY
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	\$ 51,848,285	\$ 56,699,194	\$ 62,784,138	\$ 61,723,394	\$ 67,080,919
Due from Other Funds	1,070,856	1,154,810	2,198,099	2,826,266	1,387,445
Receivables	3,911,206	4,521,578	4,829,432	5,842,831	5,651,761
Prepaid Items	42,802	42,529	33,388	30,169	32,785
Deferred Expenditures	-	-	-	-	-
TOTAL ASSETS	<u>\$ 56,873,149</u>	<u>\$ 62,418,111</u>	<u>\$ 69,845,057</u>	<u>\$ 70,422,660</u>	<u>\$ 74,152,910</u>
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 1,394,777	\$ 1,185,438	\$ 2,076,534	\$ 1,910,449	\$ 2,164,639
Accrued Liabilities	538,263	711,874	655,254	570,739	931,559
Due to Other Funds	884,556	1,858,484	14,585,430	4,490,560	5,570
Due to Other Governments	253,328	253,328	253,328	-	-
Due to Teachers' Retirement System	4,906,153	5,236,578	5,603,186	5,609,212	6,026,119
Due to Employee Retirement System	617,136	534,311	654,790	839,149	925,423
Deferred Revenues	-	-	-	65	410
Other Liabilities	1,233,128	1,086,217	955,262	761,920	782,665
Compensated Absences	666,075	629,597	634,569	668,910	-
TOTAL LIABILITIES	<u>\$ 10,493,416</u>	<u>\$ 11,495,827</u>	<u>\$ 25,418,353</u>	<u>\$ 14,851,004</u>	<u>\$ 10,836,385</u>
FUND EQUITY					
Nonspendable	\$ 42,802	\$ 42,529	\$ 33,388	\$ 30,169	\$ 32,785
Restricted	35,569,766	40,584,074	34,062,313	44,736,583	51,768,703
Assigned	5,010,143	4,311,728	4,110,505	4,332,993	4,786,313
Unassigned	5,757,022	5,983,953	6,220,498	6,471,911	6,728,724
TOTAL FUND EQUITY	<u>46,379,733</u>	<u>50,922,284</u>	<u>44,426,704</u>	<u>55,571,656</u>	<u>63,316,525</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 56,873,149</u>	<u>\$ 62,418,111</u>	<u>\$ 69,845,057</u>	<u>\$ 70,422,660</u>	<u>\$ 74,152,910</u>

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	\$ 107,061,713	\$ 109,131,155	\$ 111,945,192	\$ 112,042,591	\$ 115,061,179
Non-Property Tax Items	6,166,239	7,185,668	7,515,762	7,429,585	7,618,959
Charges for Services	617,722	655,059	606,603	538,058	622,797
Use of Money & Property	78,915	99,658	2,101,878	3,783,284	4,724,726
Sale of Property and Compensation for Loss	151,122	239,335	158,322	552,749	192,925
Miscellaneous	1,375,716	1,540,400	1,323,614	1,261,230	2,139,212
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	22,971,404	25,555,676	29,466,630	36,501,938	37,124,899
Revenues from Federal Sources	273,362	90,380	75,220	86,029	69,412
Total Revenues	<u>\$ 138,696,193</u>	<u>\$ 144,497,331</u>	<u>\$ 153,193,221</u>	<u>\$ 162,195,464</u>	<u>\$ 167,554,109</u>
Other Sources:					
Interfund Transfers	<u>708,733</u>	<u>1,144,462</u>	<u>-</u>	<u>841,246</u>	<u>224,115</u>
Total Revenues and Other Sources	<u>\$ 139,404,926</u>	<u>\$ 145,641,793</u>	<u>\$ 153,193,221</u>	<u>\$ 163,036,710</u>	<u>\$ 167,778,224</u>
EXPENDITURES					
General Support	\$ 11,178,947	\$ 11,773,089	\$ 12,318,834	\$ 13,874,133	\$ 13,813,399
Instruction	69,455,329	72,092,315	73,776,002	77,071,647	81,695,466
Pupil Transportation	3,642,450	3,977,716	4,850,559	5,445,189	5,655,140
Employee Benefits	38,109,683	40,068,033	41,454,244	43,804,134	47,346,416
Debt Service	-	68,526	94,925	3,278,847	2,999,576
Total Expenditures	<u>\$ 122,386,409</u>	<u>\$ 127,979,679</u>	<u>\$ 132,494,564</u>	<u>\$ 143,473,950</u>	<u>\$ 151,509,997</u>
Other Uses:					
Interfund Transfers	<u>18,726,112</u>	<u>13,119,563</u>	<u>27,194,237</u>	<u>8,417,808</u>	<u>8,523,358</u>
Total Expenditures and Other Uses	<u>141,112,521</u>	<u>141,099,242</u>	<u>159,688,801</u>	<u>151,891,758</u>	<u>160,033,355</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,707,595)</u>	<u>4,542,551</u>	<u>(6,495,580)</u>	<u>11,144,952</u>	<u>7,744,869</u>
FUND BALANCE					
Fund Balance - Beginning of Year	48,087,326	46,379,733	50,922,284	44,426,704	55,571,656
Prior Period Adjustments (net)	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 46,379,733</u>	<u>\$ 50,922,284</u>	<u>\$ 44,426,704</u>	<u>\$ 55,571,656</u>	<u>\$ 63,316,525</u>

Source: Audited financial reports of the 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	2027
	Original Budget	Amended Budget	Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes & Tax Items	\$ 114,967,504	\$ 115,071,570	\$ 115,061,179	\$ 117,659,555	\$ 120,820,280
Non-Property Tax Items	7,204,066	7,100,000	7,618,959	7,530,100	7,586,038
Charges for Services	490,500	490,500	622,797	490,500	490,500
Use of Money & Property	800,000	842,000	4,724,726	1,500,000	2,100,000
Sale of Property and Compensation for Loss	160,241	118,241	192,925	160,241	160,241
Miscellaneous	835,000	835,000	2,139,212	835,000	835,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	35,038,484	35,038,484	37,124,899	36,980,714	40,868,376
Revenues from Federal Sources	65,000	65,000	69,412	65,000	65,000
Total Revenues	<u>\$ 159,560,795</u>	<u>\$ 159,560,795</u>	<u>\$ 167,554,109</u>	<u>\$ 165,221,110</u>	<u>\$ 172,925,435</u>
Other Sources:					
Appropriated Fund Balance & Reserves	\$ 2,236,992	\$ 5,431,154	\$ -	\$ 2,836,992	\$ 3,436,992
Prior Year Encumbrances	-	3,136,001	-	-	-
Interfund Transfers	-	-	224,115	160,000	160,000
Total Revenues and Other Sources	<u>\$ 161,797,787</u>	<u>\$ 168,127,950</u>	<u>\$ 167,778,224</u>	<u>\$ 168,218,102</u>	<u>\$ 176,522,427</u>
EXPENDITURES					
General Support	\$ 15,039,094	\$ 16,864,619	\$ 13,813,399	\$ 16,033,284	\$ 14,977,296
Instruction	83,913,338	85,400,629	81,695,466	77,622,980	86,461,663
Pupil Transportation	6,882,757	6,314,812	5,655,140	7,026,731	6,902,316
Community Services	-	-	-	-	-
Employee Benefits	47,554,348	48,024,929	47,346,416	53,068,044	56,569,550
Debt Service	2,899,875	2,999,602	2,999,576	8,904,188	5,233,970
Total Expenditures	<u>\$ 156,289,412</u>	<u>\$ 159,604,591</u>	<u>\$ 151,509,997</u>	<u>\$ 162,655,227</u>	<u>\$ 170,144,795</u>
Other Uses:					
Interfund Transfers	<u>5,508,375</u>	<u>8,523,359</u>	<u>8,523,358</u>	<u>5,562,875</u>	<u>6,377,632</u>
Total Expenditures and Other Uses	<u>161,797,787</u>	<u>168,127,950</u>	<u>160,033,355</u>	<u>168,218,102</u>	<u>176,522,427</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>7,744,869</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	55,571,656	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,316,525</u>	<u>\$ -</u>	<u>\$ -</u>

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

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total Principal & Interest
2026	\$ 3,330,000	\$ 1,372,875	\$ 4,702,875
2027	3,505,000	1,204,250	4,709,250
2028	3,690,000	1,027,000	4,717,000
2029	3,875,000	840,250	4,715,250
2030	4,080,000	644,250	4,724,250
2031	4,280,000	437,750	4,717,750
2032	3,980,000	244,425	4,224,425
2033	2,285,000	61,925	2,346,925
2034	120,000	3,900	123,900
TOTALS	\$ 29,145,000	\$ 5,836,625	\$ 34,981,625

Note: Table above does not include debt payments related to leases. See "Lease Obligations" herein.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2022			2018		
	Refunding of 2012B Serial Bonds			DASNY Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 1,505,000	\$ 689,625	\$ 2,194,625	\$ 1,825,000	\$ 683,250	\$ 2,508,250
2027	1,590,000	612,250	2,202,250	1,915,000	592,000	2,507,000
2028	1,670,000	530,750	2,200,750	2,020,000	496,250	2,516,250
2029	1,760,000	445,000	2,205,000	2,115,000	395,250	2,510,250
2030	1,850,000	354,750	2,204,750	2,230,000	289,500	2,519,500
2031	1,950,000	259,750	2,209,750	2,330,000	178,000	2,508,000
2032	2,055,000	159,625	2,214,625	1,925,000	84,800	2,009,800
2033	2,165,000	54,125	2,219,125	120,000	7,800	127,800
2034	-	-	-	120,000	3,900	123,900
TOTALS	\$ 14,545,000	\$ 3,105,875	\$ 17,650,875	\$ 14,600,000	\$ 2,730,750	\$ 17,330,750

UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS

At the time of delivery of the Notes, the District will deliver to the purchasers an executed Undertaking to Provide Notices of Certain Events, which will provide as follows:

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 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.

For the purpose of events (o) and (p) identified above, "financial obligation" means. a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or source of pay for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii), but shall not include municipal securities as to which a final official statement has been provided to the MSRB 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 reserves the right to terminate its obligation to provide the aforescribed 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 Certain Events" to this effect shall be provided to the purchaser(s) at closing.

The District may amend the Undertaking to Provide Notice of Certain Events upon a change in circumstances provided that (a) the Undertaking to Provide Notice of Certain Events, as amended, would have complied with the requirements of the Rule at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the Issuer, the amendment does not materially impair the interests of the beneficial owners of the Notes.

**PITTSFORD CENTRAL SCHOOL DISTRICT
MONROE & ONTARIO COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

JUNE 30, 2025

Such Audited 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 Preliminary Official Statement.

PITTSFORD CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2025



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Pittsford Central School District, New York

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

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 opinion.

Responsibilities of Management for the Financial Statements

The District's 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.

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 GAAS 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 GAAS 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 54-58 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 supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

As described in Note II to the financial statements, the District adopted GASB Statement No. 101, *Compensated Absences*. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2025 on our consideration of Pittsford Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
September 16, 2025

Pittsford Central School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflows (what the district owes) exceeded total assets plus deferred outflows (what the district owns) by (\$101,165,900) (net position) an increase of \$34,400,148 from the prior year. This increase is a result of OPEB liability and pension liability decreases.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$79,379,179 an increase of \$3,352,350 in comparison with the prior year.

New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$6,728,724 and this amount was within the statutory limit.

General revenues which include Real Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$167,345,953 or 97% of all revenues. Program specific revenues in the form of Charges for services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$5,524,252 or 3% of total revenues.

Overview of the Financial Statements

This management's discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

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

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

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

The School District maintains six individual governmental funds; General Fund, Special Aid Fund, Debt Service Fund, School Lunch Fund, Miscellaneous Special Revenue Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund which are reported as major funds. Data for the school lunch fund, the miscellaneous special revenue fund, the debt service fund, and the special aid fund are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

The government-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 position includes all the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District As A Whole

Net Position

The District’s combined net position was larger on June 30, 2025 than it was the year before as shown in table below.

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2025</u>	<u>2024</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 116,850,179	\$ 90,570,788	\$ 26,279,391
Capital Assets	125,586,240	121,804,365	3,781,875
Total Assets	<u>\$ 242,436,419</u>	<u>\$ 212,375,153</u>	<u>\$ 30,061,266</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 47,343,080</u>	<u>\$ 43,857,078</u>	<u>\$ 3,486,002</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 241,592,267	\$ 214,846,107	\$ 26,746,160
Other Liabilities	29,680,228	14,220,397	15,459,831
Total Liabilities	<u>\$ 271,272,495</u>	<u>\$ 229,066,504</u>	<u>\$ 42,205,991</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 119,672,904</u>	<u>\$ 147,562,208</u>	<u>\$ (27,889,304)</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 92,060,576	\$ 88,154,986	\$ 3,905,590
<u>Restricted For:</u>			
Capital Projects	11,507,413	13,097,870	(1,590,457)
Capital Reserve	31,943,685	25,596,584	6,347,101
Other Purposes	23,223,076	22,273,909	949,167
Unrestricted	(259,900,650)	(269,519,830)	9,619,180
Total Net Position	<u><u>\$ (101,165,900)</u></u>	<u><u>\$ (120,396,481)</u></u>	<u><u>\$ 19,230,581</u></u>

Key Variances

- Current and other assets increased \$26,279,391 as a result of the issuance of BANs for the capital project and the TRS pension system reporting a net asset.
- Long-Term Debt Obligations increased \$26,746,160 as a result of the implementation of GASB 101 for compensated absences and the increase to the OPEB obligation.
- Other Liabilities increased \$15,459,831 as a result of the issuance of BANs for the capital project.
- Deferred Inflows of Resources decreased \$27,889,304 as a result of changes to the OPEB differences between expected and actual experiences and changes of assumptions.

The District’s financial position is the product of many factors.

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are four restricted net position balances: Capital Projects, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of (\$259,900,650).

Changes in Net position

The District’s total revenue increased 2% to \$172,870,205. State and federal aid 22% and property taxes 67% accounted for most of the District’s revenue. The remaining 11% of the revenue comes from operating grants, capital grants, charges for services, non-property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

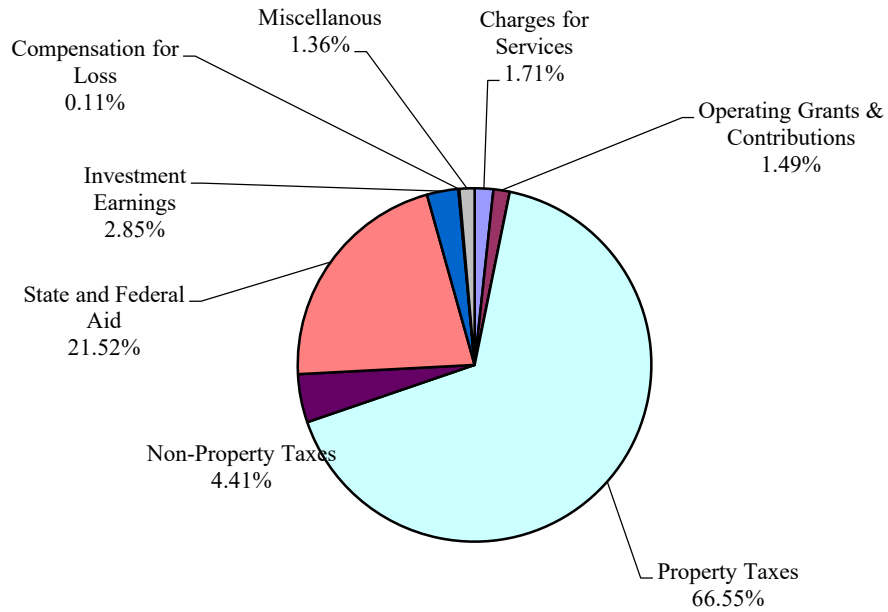
The total cost of all the programs and services increased 1% to \$139,207,739. The District’s expenses are predominately related to education and caring for the students (Instruction) 79%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 21% of the total costs. See table below:

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2025</u>	<u>2024</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 2,950,086	\$ 2,800,211	\$ 149,875
Operating Grants & Contributions	2,574,166	3,746,426	(1,172,260)
Capital Grants & Contributions	-	601,244	(601,244)
Total Program	\$ 5,524,252	\$ 7,147,881	\$ (1,623,629)
<u>General -</u>			
Property Taxes	\$ 115,061,179	\$ 112,042,591	\$ 3,018,588
Non Property Taxes	7,618,959	7,429,585	189,374
State and Federal Aid	37,194,311	36,587,967	606,344
Investment Earnings	4,932,562	3,926,104	1,006,458
Compensation for Loss	192,925	552,549	(359,624)
Miscellaneous	2,346,017	1,355,975	990,042
Total General	\$ 167,345,953	\$ 161,894,771	\$ 5,451,182
TOTAL REVENUES	\$ 172,870,205	\$ 169,042,652	\$ 3,827,553
<u>EXPENSES:</u>			
General Support	\$ 16,523,701	\$ 15,999,827	\$ 523,874
Instruction	109,586,015	110,110,113	(524,098)
Pupil Transportation	8,555,356	8,579,997	(24,641)
School Lunch	2,533,403	2,346,133	187,270
Interest	1,271,582	1,360,539	(88,957)
TOTAL EXPENSES	\$ 138,470,057	\$ 138,396,609	\$ 73,448
INCREASE IN NET POSITION	\$ 34,400,148	\$ 30,646,043	
NET POSITION, BEGINNING OF YEAR	(135,566,048)	(151,042,524)	
NET POSITION, END OF YEAR	\$ (101,165,900)	\$ (120,396,481)	
Compensated absenses adjustment		(15,169,567)	
2024 RESTATED NET POSITION		\$ (135,566,048)	

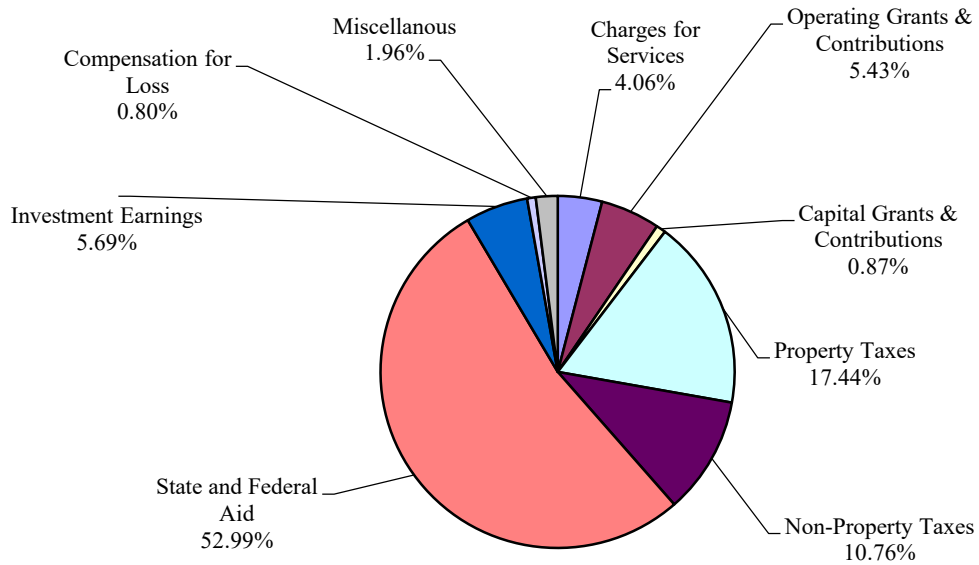
Key Variances

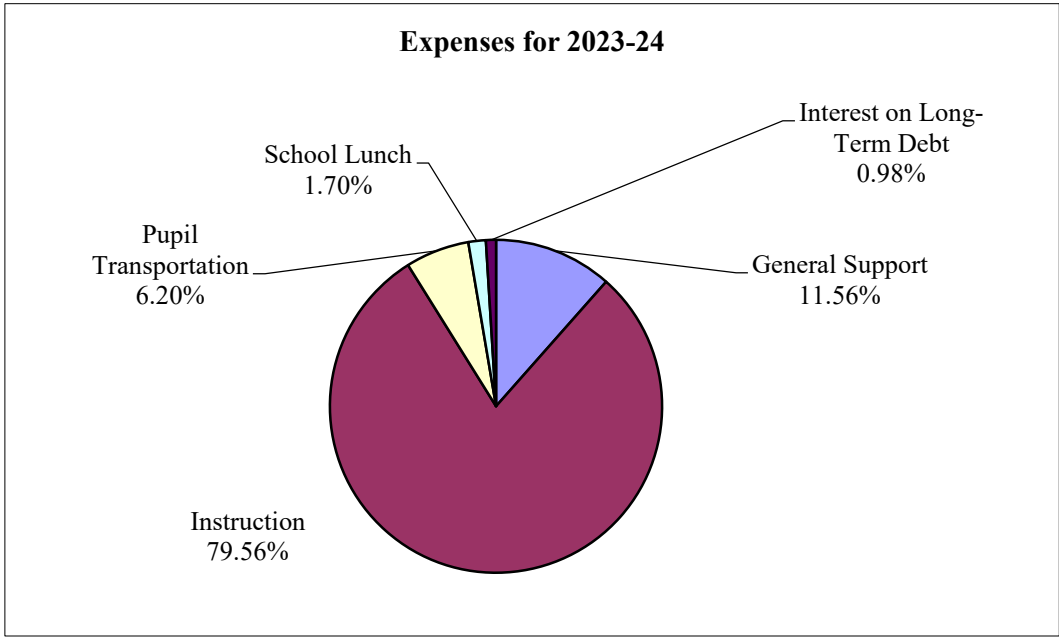
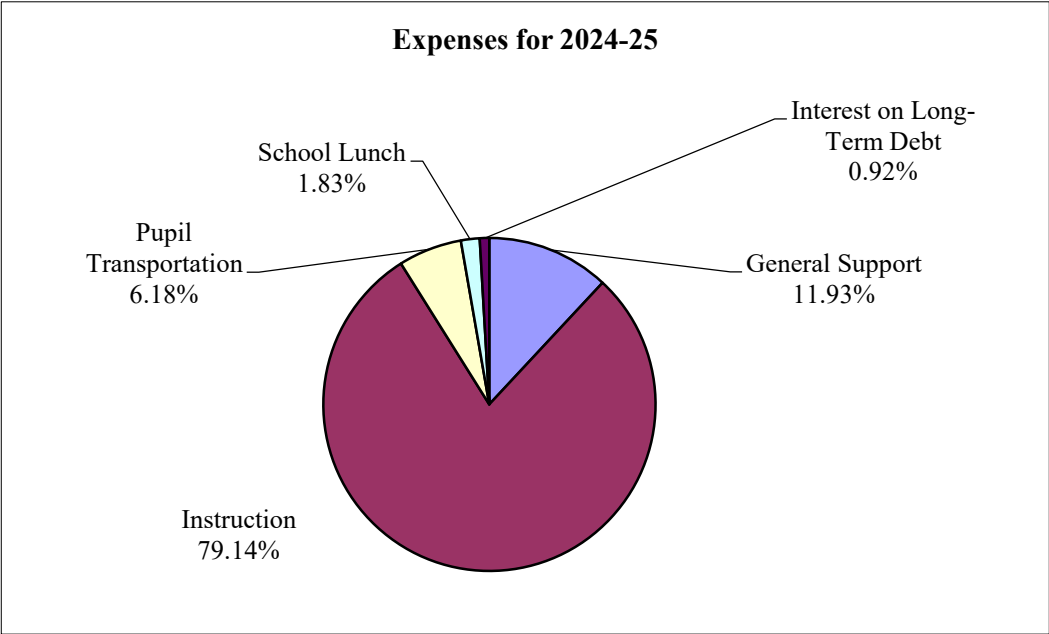
- Operating Grants & Contributions decreased \$1,172,260 as a result of the completion of the federal stimulus funds.
- Property Taxes increased \$3,018,588 as a result of budgeted increases to the levy.
- Investment Earnings increased \$1,006,458 as a result of investing funds for the whole year in various pooled investments.

Revenue for 2024-25



Revenue for 2023-24





Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$79,379,179 which is more than last year's ending fund balance of \$76,026,829.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$63,316,525. Fund balance for the General Fund increased by \$7,744,869 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2025</u>	<u>2024</u>	<u>Total Variance</u>
Nonspendable	\$ 32,785	\$ 30,169	\$ 2,616
Restricted	51,768,703	44,736,583	7,032,120
Assigned	4,786,313	4,332,993	453,320
Unassigned	6,728,724	6,471,911	256,813
Total General Fund Balances	<u>\$ 63,316,525</u>	<u>\$ 55,571,656</u>	<u>\$ 7,744,869</u>

General Fund Budgetary Highlights

The difference between the adopted budget and the final amended budget was \$6,330,163. This change is attributable to \$3,136,001 of carryover encumbrances from the 2023-24 school year, \$500,000 from the IT Reserve, \$2,419,162 from the Bus Reserve, \$150,000 for BOCES Services and \$125,000 from Liability Reserve.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
General Support	\$1,025,913	The District settled a few tax-certiorari cases related to commercial properties as well as investing in digital platform for records retention. Also to fund year-end facilities projects.
Instructional	(\$726,461)	Favourable budget variances were transferred to general support to pay for the above-mentioned initiatives.
Pupil Transportation	(\$689,824)	Due to the short staffing with bus drivers, the District re-allocated the funds to cover the health insurance costs.
Employee Benefits	\$469,823	Health insurance premiums increased more than anticipated mid-year, therefore additional funds were required to cover the cost of the unexpected increase.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Non-property taxes	\$518,959	Sales tax received from Monroe County was higher than anticipated.
Use of money and property	\$3,882,726	Interest rates remained higher than initially forecast and additional investment opportunities were implemented throughout the year.
Miscellaneous	\$1,304,212	The District received more in prior year refunds that anticipated as well as a change in reporting for certain items per the new GASB 101 regulations.
State Sources	\$2,086,415	The District received a bullet grant, and additional expenditures at the end of the prior year resulted in additional BOCES Aid and Excess Cost Aid.

Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Central Services	\$950,717	Labor shortages and utilities rising less than projected.
Instructional	\$2,307,059	Labor shortages resulting in staffing costs being lower than projected and the costs of coaching staff came in lower than projected.
Pupil Transportation	\$596,307	The costs of fuel were lower than anticipated throughout the year.
Employee Benefits	\$678,513	Transfers to cover the additional health insurances costs as well as the additional retirements that occurred for the end of the year were estimated higher than actuals.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2025 fiscal year, the District had invested \$119,905,427 in a broad range of capital assets. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2025</u>	<u>2024</u>
<u>Capital Assets:</u>		
Land	\$ 678,810	\$ 678,810
Work in Progress	12,251,422	5,192,971
Buildings and Improvements	96,449,424	101,635,511
Machinery and Equipment	10,525,771	9,671,440
Total Capital Assets	<u>\$ 119,905,427</u>	<u>\$ 117,178,732</u>
<u>Lease Assets:</u>		
Equipment	\$ 5,680,813	\$ 4,625,633
Total Lease Assets	<u>\$ 5,680,813</u>	<u>\$ 4,625,633</u>

More detailed information can be found in the notes to the financial statements.

Long-Term Debt

At year end, the District had \$240,957,068 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2025</u>	<u>2024</u>
Serial Bonds	\$ 29,145,000	\$ 32,320,000
Unamortized Bond Premium	2,826,071	3,179,330
Lease Liability	389,440	144,128
OPEB	178,201,272	161,998,127
Net Pension Liability	8,048,540	10,090,889
Retainage Payable	194,244	13,649
Retirement Incentives	4,474,845	4,015,019
Compensated Absences	18,312,855	17,577,897
Total Long-Term Obligations	<u>\$ 241,592,267</u>	<u>\$ 229,339,039</u>

More detailed information can be found in the notes to the financial statements.

Factors Bearing on the District's Future

The state comptroller has advised all participating employers that the billing from the New York State Employees' Retirement System, beginning with the bill due February 2026, for the billing period April 2024 through March 2025, will average 16.5% of eligible payroll. This rate has increased by 1.3% over the 2024-25 rate of 15.2% of eligible salaries.

The New York State Teachers' Retirement System has indicated that the rate to calculate expenditures for the 2025-26 fiscal year will be 9.59% of eligible salaries. This rate has decreased by .52% from the 2024-25 rate of 10.11% of eligible salaries. The District has reserves for both the NYS Employees' Retirement System and the NYS Teachers' Retirement System to offset the District's portion of these costs.

Annually, the District reviews the required NYS Building Condition Survey that was submitted to the State Education Department in 2021-22. This document identified approximately \$300 million in school facilities improvements that are needed. This data is also used as a foundation for a Long-Range Facilities Plan (LRFP) and as a blueprint for a long-term facilities maintenance and renovation plan identifying needs and adjustments to suit educational program and enrollment into the future. The District's multi-year financial planning conservatively plans budgets coupled with Fund Balance and Reserve management with an eye toward providing financial stability and predictability into the future. On March 28, 2023, District voters authorized a \$69.8 million project at an 87% approval rate, which includes work in all nine buildings and ancillary facilities. This project will focus on safety and security, infrastructure, and replacing portable classrooms. Renovations that included creating double door secure entrances at all nine buildings have been completed at a cost near \$3 million. The District has received approval from NYS Facilities Planning for the larger project which includes a classroom addition and science wing renovations at Mendon High School and significant renovations at Barker Road Middel School. This work began in June 2025 and is anticipated to last through June 2028 with spenddown of the \$66.8 million balance.

The 2022-23 enacted New York State Budget includes a provision for school districts to begin replacing their gas-powered buses with electric buses by 2027. The cost of an electric bus is 2.5-3 times higher than the replacement cost of a gas-powered bus. The District re-established a Capital Transportation Vehicles Reserve with the added cost of electric buses in mind. In addition to purchasing electric buses, charging stations would also need to be added for the bus fleet. It is anticipated that the expenses for this conversion will commence in the 2026-27 fiscal year with voter propositions asking for authorization to purchase two electric school buses and installation of six charging stations.

With the full phase-in of foundation aid complete, the District received a 2.64% increase in new foundation aid for the 2025-26 fiscal year. Based on the past, it is unlikely that the District will receive significant increases in new state aid until an updated state funding formula is established. The District recognizes that the combination of seventy-one percent of the budget being capped by the tax levy limit, and minimal increases in foundation aid can be seen as fiscal stressors. Meanwhile, inflation and collective bargaining agreements are poised to outpace revenue increases. Simply stated, the District's revenue is not projected to keep up with rollover of current appropriations. In the 2025-26 budget the District appropriated an additional \$600,000 from fund balance and reserves. Budget adjustments and reductions will be necessary without further state financial support.

The District has diligently worked hard for many years to prepare financially through reserves and conservative budgets for difficult times. The District is monitoring closely the financial climate and preserving its financial health as far into the future as possible. Fortunately, per the NYS Comptroller and District Independent Auditor "The District is in strong financial health with a reserves plan to better weather a financial storm".

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Pittsford Central School District
75 Barker Road, East Offices
Pittsford, New York 14534

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 92,975,300
Investments	9,173,471
Accounts receivable	6,525,604
Inventories	32,557
Prepaid items	32,785
Net pension asset	8,110,462
Capital Assets:	
Land	678,810
Work in progress	12,251,422
Other capital assets (net of depreciation)	112,656,008
TOTAL ASSETS	<u>\$ 242,436,419</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 47,343,080</u>
 LIABILITIES	
Accounts payable	\$ 4,550,532
Accrued liabilities	1,271,068
Unearned revenues	289,267
Due to other governments	154
Due to teachers' retirement system	6,026,119
Due to employees' retirement system	925,423
Bond anticipation notes payable	15,835,000
Other Liabilities	782,665
Long-Term Obligations:	
Due in one year	8,260,787
Due in more than one year	233,331,480
TOTAL LIABILITIES	<u>\$ 271,272,495</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 119,672,904</u>
 NET POSITION	
Net investment in capital assets	\$ 92,060,576
Restricted For:	
Capital projects	11,507,413
Capital reserves	31,943,685
Other purposes	23,223,076
Unrestricted	(259,900,650)
TOTAL NET POSITION	<u>\$ (101,165,900)</u>

(See accompanying notes to financial statements)

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
<u>Primary Government -</u>				
General support	\$ 16,523,701	\$ -	\$ -	\$ (16,523,701)
Instruction	109,586,015	622,797	2,574,166	(106,389,052)
Pupil transportation	8,555,356	-	-	(8,555,356)
School lunch	2,533,403	2,327,289	-	(206,114)
Interest	1,271,582	-	-	(1,271,582)
Total Primary Government	<u>\$ 138,470,057</u>	<u>\$ 2,950,086</u>	<u>\$ 2,574,166</u>	<u>\$ (132,945,805)</u>
General Revenues:				
Property taxes				\$ 115,061,179
Non property taxes				7,618,959
State and federal aid				37,194,311
Investment earnings				4,932,562
Compensation for loss				192,925
Miscellaneous				2,346,017
Total General Revenues				<u>\$ 167,345,953</u>
Changes in Net Position				\$ 34,400,148
Net Position, Beginning of Year,				
as previously reported				\$ (120,396,481)
Compensated absences adjustment				(15,169,567)
Net Position, Beginning of Year, as adjusted				<u>\$ (135,566,048)</u>
Net Position, End of Year				<u>\$ (101,165,900)</u>

(See accompanying notes to financial statements)

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 57,932,896	\$ 29,980,405	\$ 5,061,999	\$ 92,975,300
Investments	9,148,023	-	25,448	9,173,471
Receivables	5,651,761	-	873,843	6,525,604
Inventories	-	-	32,557	32,557
Due from other funds	1,387,445	-	5,570	1,393,015
Prepaid items	32,785	-	-	32,785
TOTAL ASSETS	\$ 74,152,910	\$ 29,980,405	\$ 5,999,417	\$ 110,132,732
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 2,164,639	\$ 2,363,963	\$ 21,930	\$ 4,550,532
Accrued liabilities	931,559	-	19,819	951,378
Notes payable - bond anticipation notes	-	15,835,000	-	15,835,000
Due to other funds	5,570	274,029	1,113,416	1,393,015
Due to other governments	-	-	154	154
Due to TRS	6,026,119	-	-	6,026,119
Due to ERS	925,423	-	-	925,423
Other liabilities	782,665	-	-	782,665
Unearned revenue	410	-	288,857	289,267
TOTAL LIABILITIES	\$ 10,836,385	\$ 18,472,992	\$ 1,444,176	\$ 30,753,553
Fund Balances -				
Nonspendable	\$ 32,785	\$ -	\$ 32,557	\$ 65,342
Restricted	51,768,703	11,507,413	3,398,058	66,674,174
Assigned	4,786,313	-	1,124,626	5,910,939
Unassigned	6,728,724	-	-	6,728,724
TOTAL FUND BALANCE	\$ 63,316,525	\$ 11,507,413	\$ 4,555,241	\$ 79,379,179
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,152,910	\$ 29,980,405	\$ 5,999,417	

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

Capital assets/right of use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	125,586,240
Interest is accrued on outstanding bonds in the Statement of Net Position but not in the funds.	(319,690)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(29,145,000)
Lease liability	(389,440)
Retainage payable	(194,244)
OPEB liability	(178,201,272)
Compensated absences	(18,312,855)
Retirement incentives	(4,474,845)
Bond premium	(2,826,071)
Net pension asset	8,110,462
Deferred outflow - pension	24,337,013
Deferred outflow - OPEB	23,006,067
Net pension liability	(8,048,540)
Deferred inflow - bond	(970,909)
Deferred inflow - pension	(10,279,988)
Deferred inflow - OPEB	(108,422,007)
Net Position of Governmental Activities	\$ (101,165,900)

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes and tax items	\$ 115,061,179	\$ -	\$ -	\$ 115,061,179
Non-property taxes	7,618,959	-	-	7,618,959
Charges for services	622,797	-	-	622,797
Use of money and property	4,724,726	-	207,836	4,932,562
Sale of property and compensation for loss	192,925	-	-	192,925
Miscellaneous	2,139,212	30,000	306,047	2,475,259
State sources	37,124,899	-	683,156	37,808,055
Federal sources	69,412	-	1,665,966	1,735,378
Sales	-	-	2,327,289	2,327,289
TOTAL REVENUES	\$ 167,554,109	\$ 30,000	\$ 5,190,294	\$ 172,774,403
EXPENDITURES				
General support	\$ 13,813,399	\$ -	\$ -	\$ 13,813,399
Instruction	81,695,466	-	2,596,932	84,292,398
Pupil transportation	5,655,140	2,227,906	232,923	8,115,969
Employee benefits	47,346,416	-	367,348	47,713,764
Debt service - principal	2,874,727	-	3,175,000	6,049,727
Debt service - interest	124,849	-	1,533,375	1,658,224
Cost of sales	-	-	1,059,518	1,059,518
Other expenses	-	-	1,027,259	1,027,259
Capital outlay	-	8,907,636	-	8,907,636
TOTAL EXPENDITURES	\$ 151,509,997	\$ 11,135,542	\$ 9,992,355	\$ 172,637,894
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 16,044,112	\$ (11,105,542)	\$ (4,802,061)	\$ 136,509
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 224,115	\$ 3,519,162	\$ 5,004,197	\$ 8,747,474
Transfers - out	(8,523,358)	(224,116)	-	(8,747,474)
Proceeds from obligations	-	345,039	-	345,039
BAN's redeemed from appropriations	-	2,775,000	-	2,775,000
Premium on obligations issued	-	-	95,802	95,802
TOTAL OTHER FINANCING SOURCES (USES)	\$ (8,299,243)	\$ 6,415,085	\$ 5,099,999	\$ 3,215,841
NET CHANGE IN FUND BALANCE	\$ 7,744,869	\$ (4,690,457)	\$ 297,938	\$ 3,352,350
FUND BALANCE, BEGINNING OF YEAR	55,571,656	16,197,870	4,257,303	76,026,829
FUND BALANCE, END OF YEAR	\$ 63,316,525	\$ 11,507,413	\$ 4,555,241	\$ 79,379,179

(See accompanying notes to financial statements)

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2025

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ 3,352,350

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 8,907,636	
Additions to Assets, Net	3,040,854	
Leased Assets	2,259,380	
Depreciation and Amortization	<u>(10,425,995)</u>	
		3,781,875

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 6,049,727	
Proceeds from BAN Redemption	(2,775,000)	
Proceeds from Lease Purchases	(345,039)	
Unamortized Bond Premium	<u>353,259</u>	
		3,282,947

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 33,383

The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (180,595)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 23,638,412

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

Teachers' Retirement System		1,001,187
Employees' Retirement System		564,010

Portion of deferred (inflow) / outflow recognized in long term debt 121,363

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences	(734,958)	
Career Awards	<u>(459,826)</u>	
		<u>(1,194,784)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 34,400,148**

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 345,185
TOTAL ASSETS	<u>\$ 345,185</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 345,185
TOTAL NET POSITION	<u>\$ 345,185</u>

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2025

	Custodial Funds
ADDITIONS	
Student activity	\$ 538,861
TOTAL ADDITIONS	<u>\$ 538,861</u>
DEDUCTIONS	
Student activity	\$ 502,227
TOTAL DEDUCTIONS	<u>\$ 502,227</u>
CHANGE IN NET POSITION	\$ 36,634
NET POSITION, BEGINNING OF YEAR	<u>308,551</u>
NET POSITION, END OF YEAR	<u>\$ 345,185</u>

PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2025

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. 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 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 review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agency for various student organizations in a Custodial Fund.

(I.) (Continued)

B. Joint Venture

The District is a component of the First Supervisory District of Monroe County Board of Cooperative Educational Services (BOCES). The 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.

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

During the year, the District was billed \$15,016,856 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$4,355,831.

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

C. Basis of Presentation

1. District-wide Statements

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

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

(I.) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **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.

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

b. **Nonmajor Governmental Funds**- The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Miscellaneous Special Revenue Fund – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

c. **Fiduciary Funds** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 13, 2024. Taxes are collected during the period September 1 to October 31, 2024.

Uncollected real property taxes are subsequently enforced by the County of Monroe, 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.

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

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

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

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 X for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/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, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Cash Equivalents

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.

Investments are stated at fair value.

(I.) (Continued)

J. Receivables

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

In addition, the District will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

A non-spendable fund balance for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

L. 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 acquisition value at the date of donation.

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. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives and capitalization threshold by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

(I.) (Continued)

M. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is 15 months-5 years based on the contract terms and/or estimated replacement of the assets.

N. Unearned Revenue

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

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until that time.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. Vested Employee Benefits

1. Compensated Absences

The District, based on policy and/or various negotiated labor or employment contracts, recognizes a liability for compensated absences for leave time that:

- (i) has been earned for services previously rendered by employees.
- (ii) has accumulated and is allowed to be carried over into subsequent years.
- (iii) is more likely than not to be used as time off or settled (for example paid in cash to the employee or as a payment to an employee 403b or medical spending account) during or upon separation from employment.

Based on the criteria listed, only vacation leave, sick leave and sick leave banks meet the qualifications to be recognized as a liability for compensated absences. The total long-term estimated liability for compensated absences is reported as incurred in the District-wide and proprietary fund financial statements. The short-term 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.

(I.) (Continued)

Consistent with GASB Statement 101, Compensated Absences, the liability has been calculated using the more likely than not to be used as leave or settled at separation method with the compensated absences liability being calculated based on the pay rates in effect at year end.

Q. Other Benefits

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. 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 of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that a BAN issued for capital purposes be converted to long-term financing within five years after the original issue date.

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

1. District-wide Statements

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

(I.) (Continued)

a. **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, constructions or improvements of those assets.

b. **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.

On the Statement of Net Position the following balances represent the restricted for other purposes:

	<u>Total</u>
Workers' Compensation	\$ 722,032
Unemployment Costs	404,539
Retirement Contribution - ERS	2,644,857
Retirement Contribution - TRS	5,190,273
Insurance	2,404,609
Tax Certiorari	2,111,547
Scholarships	192,590
Debt	3,205,468
Liability	1,526,040
Employee Benefit Accrued Liability	4,821,121
Total Net Position - Restricted for Other Purposes	<u><u>\$ 23,223,076</u></u>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$259,900,650 at year end is the result of full implementation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

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

a. **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:

	<u>Total</u>
Inventory in School Lunch	\$ 32,557
Prepaid Items	32,785
Total Nonspendable Fund Balance	<u><u>\$ 65,342</u></u>

(I.) (Continued)

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

Capital Reserve - According to Education Law §3651, 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. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for 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. Year end balances are as follows:

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
2014 Technology Capital Reserve	\$ 10,000,000	\$ 3,900,000	\$ 1,506,741
2021 Capital Project Reserve	\$ 42,000,000	\$ 27,122,007	\$ 14,709,367
2023 Transportation Capital Reserve	\$ 50,000,000	\$ 13,235,018	\$ 9,225,225
2023 Swimming Facilities Capital Reserve	\$ 40,000,000	\$ 3,000,000	\$ 3,145,533
2024 Instructional Technology	\$ 15,000,000	\$ 3,334,930	\$ 3,356,819

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

(I.) (Continued)

Insurance Reserve - According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriation, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve, however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater.

Retirement Contribution Reserve - According to General Municipal Law 6-r, must be used financing retirement contributions. 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 Board.

Teachers' Retirement Reserve – General Municipal Law §6-r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

Tax Certiorari Reserve - According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari claims and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

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

(I.) (Continued)

Workers' Compensation Reserve - According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of 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.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund and School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 722,032
Unemployment Costs	404,539
Retirement Contribution - ERS	2,644,857
Retirement Contribution - TRS	5,190,273
Insurance	2,404,609
Tax Certiorari	2,111,547
Liability	1,526,040
Capital Reserves	31,943,685
Employee Benefit Accrued Liability	4,821,121
<u>Capital Projects Fund -</u>	
2025-2026 Bus Purchases	2,419,162
2023-2024 Renovations	44,092
2024-2025 Renovations	259,176
\$69.8M Capital Improvement Project	8,284,983
Capital Technology Reserve	500,000
<u>Misc Special Revenue Fund -</u>	
Scholarships	192,590
<u>Debt Service Fund -</u>	
Debt Service	3,205,468
Total Restricted Fund Balance	<u><u>\$ 66,674,174</u></u>

(I.) (Continued)

The District appropriated and/or budgeted funds from the following reserves for the 2025-26 budget:

	Total
Unemployment Costs	\$ 40,000
Debt Service	160,000
EBALR	550,000
ERS	400,000
Workers' Compensation	50,000
TRS	300,000
Total	\$ 1,500,000

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

d. **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. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District’s purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be \$193,000 and the Capital Projects Fund to be \$19,000. The District reports the following significant encumbrances:

General Fund -	
Finance	\$ 307,729
Central Services	\$ 1,513,776
Instructional Media	\$ 988,177
Capital Projects Fund -	
Bus Purchases	\$ 2,419,162
Capital Outlay	\$ 45,071,993

Assigned fund balances include the following:

	Total
General Fund - Encumbrances	\$ 3,289,321
General Fund - Appropriated for Taxes	1,496,992
Special Aid Fund - Community Programs	45,610
School Lunch Fund - Year End Equity	1,079,016
Total Assigned Fund Balance	\$ 5,910,939

e. **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 school district and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

(I.) (Continued)

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

3. Order of Use of Fund Balance

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

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 101, *Compensated Absences*.

GASB has issued Statement No. 102, *Certain Risk Disclosures*.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which will be effective for fiscal years beginning after June 15, 2025.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, which will be effective for fiscal years beginning after June 15, 2025.

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

II. Restatement of Net Position

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The restatement is noted on the Statement of Activities.

III. Changes in Accounting Principles

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of the statement changes the reporting for compensated absences. See Note II for the financial statement impact of implementation of the Statement.

IV. 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.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2024-25 fiscal year, the budget was increased by \$3,136,001 for prior year encumbrances, \$500,000 for the voter approved use of the IT Reserve, \$2,419,162 for the voter approved use of the Bus Reserve, \$150,000 for BOCES Services, and \$125,000 for Liability Reserve Use.

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

Budgets are established and used for individual capital projects fund 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.

B. Encumbrances

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

(IV.) (Continued)

C. **Deficit Net Position**

The District-wide net position had a deficit at June 30, 2025 of \$101,165,900. The deficit is the result of the implementation of GASB Statement 75, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, which required the recognition of an unfunded liability of \$178,201,272 at June 30, 2025. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

V. **Cash and Cash Equivalents**

Credit risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

Concentration of Credit risk: To promote competition in rates and service cost, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District’s investment policy limits the amounts that may be deposited with any one financial institution.

Interest rate risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

The District’s aggregate bank balances, included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		17,393,529
Collateralized within Trust Department or Agent		10,957,469
Total	\$	<u>28,350,998</u>

In addition, the District has a \$17,335,000 letter of credit for one of their financial institutions.

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$66,674,174 within the governmental funds and \$345,185 in the fiduciary funds.

VI. **Investments**

The District’s investments are recorded at fair value and have been categorized based upon a fair market value.

(VI.) (Continued)

The District adopted the provisions of SFAS No. 157, *Fair Value Measurements*, which establishes a fair value hierarchy that defines three discrete “levels” of valuation techniques to determine the fair value of investments. Level 1 inputs consist of quoted (unadjusted) prices in active markets for identical assets at measurement date, Level 2 inputs other than quoted prices that are observable either directly or indirectly, and Level 3 inputs are unobservable inputs and are to be used only if observable inputs are not available.

The District values investments in securities and securities sold short that are freely tradable and listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the year.

The District’s investments are recorded at fair value and have been categorized based upon a fair value hierarchy in accordance with SFAS 157.

The following table presents information about the District’ investments measured at fair value as of June 30, 2025:

	<u>Cost</u>	<u>Quoted Prices in Active Market for Identical Assets (Level 1)</u>
Common Stock	\$ 25,448	1

VII. Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year-end are \$48,363,718 which consisted of \$5,150,943 in repurchase agreements, \$34,192,377 in U.S. Treasury Securities, \$61,168 in FDIC insured deposits and \$8,959,230 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Description of Investment</u>
General Fund	\$ 5,498,995	\$ 5,498,995	NYCLASS
School Lunch	\$ 1,222,794	\$ 1,222,794	NYCLASS
General Fund	\$ 27,167,252	\$ 27,167,252	NYLAF
Debt Service	\$ 328,595	\$ 328,595	NYLAF
Capital Fund	\$ 14,146,082	\$ 14,146,082	NYLAF

VIII. NY MuniTrust

NY MuniTrust is a short-term highly liquid investment pool designed specifically for the public sector. It provides the opportunity to invest funds on a cooperative basis in the short-term investments that are carefully selected to seek as high a level of current income as is consistent with the preservation of capital and the maintenance of liquidity.

The District participates in the New York MuniTrust Empire Fund. The fund’s short-term fixed income investments are permissible under the New York State General Municipal Law (GML) and provide the ability to invest operating cash in a diversified portfolio of short duration fixed-income securities.

NY MuniTrust is rated by S&P Global ratings. The current rating is ‘AAAM’. All investments are stated at amortized costs, which in most cases approximates the market value of the securities due to the short-term nature of the investments.

Repurchase Agreements in the NY MuniTrust Empire Fund Portfolio Holdings, as of June 30, 2025, are collateralized at a minimum of 100% of the market value of the security.

NY MuniTrust – Empire Portfolio Holdings as of June 30, 2025:

U.S. Treasury	53.23%
Repurpose Agreement	46.75%
Cash	0.02%
Total	100.00%
<hr/>	
NY MuniTrust - Empire Portfolio Holdings total assets as of June 30, 20XX	\$ 9,148,023

District’s investment balance as of June 30, 2025:

NY MuniTrust Empire	\$ 9,148,023
Common Stock (Miscellaneous Fund)	25,448
Total	\$ 9,173,471

IX. Receivables

Receivables at June 30, 2025 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>		
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Accounts Receivable	\$ 21,279	\$ 2,083	\$ 23,362
Due From State and Federal	3,461,574	871,760	4,333,334
Due From Other Governments	2,168,908	-	2,168,908
Total Receivables	\$ 5,651,761	\$ 873,843	\$ 6,525,604

X. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2025 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 1,387,445	\$ 5,570	\$ 224,115	\$ 8,523,358
Capital Projects Fund	-	274,029	3,519,162	224,116
Nonmajor Funds	5,570	1,113,416	5,004,197	-
Total	<u>\$ 1,393,015</u>	<u>\$ 1,393,015</u>	<u>\$ 8,747,474</u>	<u>\$ 8,747,474</u>

Interfund receivables and payables between governmental activities 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 not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, and debt service expenditures.

XI. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u>			<u>Balance</u>
<u>Governmental Activities:</u>	<u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2025</u>
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 678,810	\$ -	\$ -	\$ 678,810
Work in progress	5,192,971	9,088,231	2,029,780	12,251,422
Total Nondepreciable	<u>\$ 5,871,781</u>	<u>\$ 9,088,231</u>	<u>\$ 2,029,780</u>	<u>\$ 12,930,232</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 239,905,485	\$ 1,025,039	\$ -	\$ 240,930,524
Machinery and equipment	20,645,658	2,781,399	851,323	22,575,734
Total Depreciated Assets	<u>\$ 260,551,143</u>	<u>\$ 3,806,438</u>	<u>\$ 851,323</u>	<u>\$ 263,506,258</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 138,269,974	\$ 6,211,126	\$ -	\$ 144,481,100
Machinery and equipment	10,974,218	1,893,659	817,914	12,049,963
Total Accumulated Depreciation	<u>\$ 149,244,192</u>	<u>\$ 8,104,785</u>	<u>\$ 817,914</u>	<u>\$ 156,531,063</u>
Total Capital Assets Depreciated, Net of Accumulated Depreciation	<u>\$ 111,306,951</u>	<u>\$ (4,298,347)</u>	<u>\$ 33,409</u>	<u>\$ 106,975,195</u>
Total Capital Assets	<u>\$ 117,178,732</u>	<u>\$ 4,789,884</u>	<u>\$ 2,063,189</u>	<u>\$ 119,905,427</u>

(XI.) (Continued)

B. Lease Assets

A summary of the lease and subscription IT asset activity during the year ended June 30, 2025 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
<u>Lease Assets:</u>				
Equipment	\$ 9,427,082	\$ 3,376,390	\$ 1,117,010	\$ 11,686,462
Less Accumulated Amortization	<u>4,816,698</u>	<u>2,308,520</u>	<u>1,117,010</u>	<u>6,008,208</u>
<i>Total Lease Assets, Net</i>	<u>\$ 4,610,384</u>	<u>\$ 1,067,870</u>	<u>\$ -</u>	<u>\$ 5,678,254</u>
<u>Subscription IT assets:</u>				
Subscription IT assets	\$ 20,340	\$ -	\$ -	\$ 20,340
Less Accumulated Amortization	<u>5,091</u>	<u>12,690</u>	<u>-</u>	<u>17,781</u>
<i>Total Subscription IT Assets, Net</i>	<u>\$ 15,249</u>	<u>\$ (12,690)</u>	<u>\$ -</u>	<u>\$ 2,559</u>
<i>Total Lease and Subscription IT Assets, Net</i>	<u>\$ 4,625,633</u>	<u>\$ 1,055,180</u>	<u>\$ -</u>	<u>\$ 5,680,813</u>

C. Other capital assets (net of depreciation and amortization):

Depreciated Capital Assets (net)	\$ 106,975,195
Amortized Lease Assets (net)	<u>5,680,813</u>
Total Other Capital Assets (net)	<u>\$ 112,656,008</u>

D. Depreciation/Amortization expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 356,387	\$ -	\$ 356,387
Instruction	5,805,310	2,321,210	8,126,520
Pupil Transportation	337,282	-	337,282
School Lunch	<u>1,605,806</u>	<u>-</u>	<u>1,605,806</u>
Total Depreciation and Amortization Expense	<u>\$ 8,104,785</u>	<u>\$ 2,321,210</u>	<u>\$ 10,425,995</u>

XII. Short-Term Debt

Transactions in short-term debt for the year are summarized below:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
BAN	6/27/2025	4.25%	\$ 2,775,000	\$ -	\$ 2,775,000	\$ -
BAN	6/26/2026	3.75%	-	15,835,000	-	15,835,000
Total Short-Term Debt			<u>\$ 2,775,000</u>	<u>\$ 15,835,000</u>	<u>\$ 2,775,000</u>	<u>\$ 15,835,000</u>

(XII.) (Continued)

Interest on short-term debt for June 30, 2025 was composed of:

Interest Paid	\$ 117,938
Less: Interest Accrued in the Prior Year	(983)
Plus: Interest Accrued in the Current Year	6,598
Total Short-Term Interest Expense	\$ 123,553

XIII. Long-Term Debt Obligations

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

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable -					
Serial Bonds	\$ 32,320,000	\$ -	\$ 3,175,000	\$ 29,145,000	\$ 3,330,000
Unamortized Bond Premium	3,179,330	-	353,259	2,826,071	353,259
Lease Liability	144,128	345,039	99,727	389,440	116,857
Total Bonds and Notes Payable	\$ 35,643,458	\$ 345,039	\$ 3,627,986	\$ 32,360,511	\$ 3,800,116
Other Liabilities -					
Net Pension Liability	\$ 10,090,889	\$ -	\$ 2,042,349	\$ 8,048,540	\$ -
OPEB	161,998,127	16,203,145	-	178,201,272	-
Retainage Payable	13,649	180,595	-	194,244	194,244
Retirement Incentives	4,015,019	459,826	-	4,474,845	447,484
Compensated Absences *	17,577,897	734,958	-	18,312,855	3,818,943
Total Other Liabilities	\$ 193,695,581	\$ 17,578,524	\$ 2,042,349	\$ 209,231,756	\$ 4,460,671
Total Long-Term Obligations	\$ 229,339,039	\$ 17,923,563	\$ 5,670,335	\$ 241,592,267	\$ 8,260,787

* The change in compensated absences above is a net change for the year.

Existing serial and statutory bond obligations:

Description	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2025
Serial Bonds -					
Refunding Bond	\$ 17,585,000	2023	2033	3%-5%	\$ 14,545,000
2012 Construction	\$ 25,030,000	2018	2034	3.25%-5.00%	14,600,000
Total Serial Bonds					\$ 29,145,000
Leases -					
Copiers	\$ 677,049	Varies	Varies	3.50%	\$ 389,440
Total Leases					\$ 389,440

(XIII.) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 3,330,000	\$ 1,372,875	\$ 116,857	\$ 13,754
2027	3,505,000	1,204,250	90,361	9,765
2028	3,690,000	1,027,000	88,510	5,952
2029	3,875,000	840,250	76,407	2,151
2030	4,080,000	644,250	17,305	230
2031-34	10,665,000	748,000	-	-
Total	\$ 29,145,000	\$ 5,836,625	\$ 389,440	\$ 31,852

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$32,115,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2025 was composed of:

Interest Paid	\$ 1,540,286
Less: Interest Accrued in the Prior Year	(352,090)
Less: Premium Amortization	(353,259)
Plus: Interest Accrued in the Current Year	313,092
Total Long-Term Interest Expense	\$ 1,148,029

XIV. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 24,337,013	\$ 10,279,988
Bonds	-	970,909
OPEB	23,006,067	108,422,007
Total	\$ 47,343,080	\$ 119,672,904

XV. Pension Plans

A. General Information

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

(XV.) (Continued)

B. Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the system, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

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

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier 6 vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2025:

<u>Contributions</u>		<u>ERS</u>		<u>TRS</u>
2025	\$	2,626,647	\$	6,026,119

(XV.) (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension asset/(liability)	\$ (8,048,540)	\$ 8,110,462
District's portion of the Plan's total net pension asset/(liability)	0.046942%	0.271834%

For the year ended June 30, 2025, the District recognized pension expenses of \$2,148,047 for ERS and \$4,450,037 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 1,997,702	\$ 8,733,478	\$ 94,233	\$ -
Changes of assumptions	337,540	4,851,700	-	816,101
Net difference between projected and actual earnings on pension plan investments	631,466	-	-	9,011,415
Changes in proportion and differences between the District's contributions and proportionate share of contributions	797,250	509,882	54,603	303,636
Subtotal	<u>\$ 3,763,958</u>	<u>\$ 14,095,060</u>	<u>\$ 148,836</u>	<u>\$ 10,131,152</u>
District's contributions subsequent to the measurement date	925,423	5,552,572	-	-
Grand Total	<u><u>\$ 4,689,381</u></u>	<u><u>\$ 19,647,632</u></u>	<u><u>\$ 148,836</u></u>	<u><u>\$ 10,131,152</u></u>

(XV.) (Continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ -	\$ (4,190,807)
2026	1,693,699	9,956,603
2027	2,291,670	(1,560,755)
2028	(516,012)	(1,737,709)
2029	145,765	1,093,820
Thereafter	-	402,756
Total	\$ 3,615,122	\$ 3,963,908

E. Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Interest rate	5.90%	6.95%
Salary scale	4.30%	4.40%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 for ERS and June 30, 2024 for TRS are summarized as follows:

(XV.) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
<u>Asset Type -</u>		
Domestic equity	3.54%	6.60%
International equity	6.57%	7.40%
Global equity	n/a	6.90%
Private equity	7.25%	10.00%
Real estate	4.95%	6.30%
Opportunistic portfolios	5.25%	n/a
Real assets	5.55%	n/a
Global bonds	n/a	2.50%
Cash	0.25%	0.50%
Private debt	n/a	5.90%
Real estate debt	n/a	3.90%
High-yield bonds	n/a	4.80%
Domestic fixed income	n/a	2.60%
Fixed income	2.00%	n/a
Credit	5.40%	n/a

The real rate of return is net of the long-term inflation assumption of 2.90% for ERS and 2.40% for TRS.

F. Discount Rate

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

G. Sensitivity 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 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current assumption :

(XV.) (Continued)

<u>ERS</u>	<u>1% Decrease</u> <u>(4.90%)</u>	<u>Current</u> <u>Assumption</u> <u>(5.90%)</u>	<u>1% Increase</u> <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (23,293,488)	\$ (8,048,540)	\$ 4,681,002

<u>TRS</u>	<u>1% Decrease</u> <u>(5.95%)</u>	<u>Current</u> <u>Assumption</u> <u>(6.95%)</u>	<u>1% Increase</u> <u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (37,462,693)	\$ 8,110,462	\$ 46,438,709

H. Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>(In Thousands)</u>	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	\$ 247,600,239	\$ 142,837,827
Plan net position	230,454,512	145,821,435
Employers' net pension asset/(liability)	<u>\$ (17,145,727)</u>	<u>\$ 2,983,608</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.08%	102.10%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$925,423.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$6,026,119.

XVI. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

Employees Covered by Benefit Terms – At March 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,230
Active Employees	<u>1,148</u>
Total	<u><u>2,378</u></u>

B. Total OPEB Liability

The District’s total OPEB liability of \$178,201,272 was measured as of March 31, 2025, and was determined by an actuarial valuation as of that date. This liability is calculated based on the various employment contracts that the District has negotiated. From a budgeting process the District currently is on a pay as you go basis for retiree’s which means the District employment budgets the annual cash cost associated with this benefit for retirees and pays that cost to an insurance carrier.

New York State provides no mechanism for the funding of the actuarial calculated liability, and therefore, the financial statements reflect a deficit net position at June 30, 2025 totaling \$120,396,481.

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

Inflation	2.30%
Salary Increases	3.30%, average, including inflation
Discount Rate	4.39%
Healthcare Cost Trend Rates	Initial rate of 5.30% decreasing to an ultimate rate of 3.71’%
Retirees' Share of Benefit-Related Costs	Varies between 0% and 20% depending on contract

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 the MP-2021 improvement scale.

(XVI.) (Continued)

C. **Changes in the Total OPEB Liability**

Balance at June 30, 2024	<u>\$ 161,998,127</u>
<u>Changes for the Year -</u>	
Service cost	\$ 3,822,321
Interest	6,333,351
Differences between expected and actual experience	19,680,204
Changes in assumptions or other inputs	(6,941,695)
Benefit payments	(6,691,036)
Net Changes	<u>\$ 16,203,145</u>
Balance at June 30, 2025	<u>\$ 178,201,272</u>

Changes of benefit terms 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% effective June 30, 2025
- Updated healthcare cost trend rates to rates effective June 30, 2025
- Updated teachers retirement tables effective June 30, 2025

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 (3.39%) or 1-percentage-point higher (5.39%) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(3.39%)</u>	<u>Rate</u>	<u>(5.39%)</u>
		<u>(4.39%)</u>	
Total OPEB Liability	\$ 199,941,964	\$ 178,201,272	\$ 160,065,678

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 (4.30% decreasing to 2.71%) or 1-percentage-point higher (6.30% decreasing to 4.71%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare	1% Increase
	<u>(4.30%</u>	<u>Cost Trend Rates</u>	<u>(6.30%</u>
	<u>Decreasing</u>	<u>(5.30%</u>	<u>Decreasing</u>
	<u>to 2.71%)</u>	<u>Decreasing</u>	<u>Decreasing</u>
		<u>to 3.71%)</u>	<u>to 4.71%)</u>
Total OPEB Liability	\$ 157,782,503	\$ 178,201,272	\$ 203,075,686

(XVI.) (Continued)

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

For the year ended June 30, 2025, the District recognized OPEB expense of (\$18,877,119). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,333,308	\$ 76,109,460
Changes of assumptions	-	32,312,547
Contributions after measurement date	1,672,759	-
Total	\$ 23,006,067	\$ 108,422,007

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

Year	
2026	\$ (26,509,289)
2027	(26,912,019)
2028	(26,124,287)
2029	(9,300,138)
2030	1,757,034
Total	\$ (87,088,699)

XVII. Risk Management

A. General Information

The District is exposed to various risks of loss related to injuries to employees, theft, damages, 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 three years.

B. Health Plans

The District is a Participant of and incurs costs related to the Rochester Area School Health Plan (Plan I) and Rochester Area School Health Plan II Municipal Cooperative Health Benefit Plan (Plan II). Plan I and Plan II are sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties (Monroe 2-Orleans BOCES) and its component districts. Plan I and Plan II 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.

(XVII.) (Continued)

1. **Plan I**

Plan I was established as a Municipal Cooperative under the authorization of Article 5-G of the General Municipal Law in 1986. Membership in Plan I may be offered to any component district of the Board of Cooperative Educational Services, First Supervisory District of Monroe County (Monroe 1 BOCES) or Monroe 2-Orleans BOCES with the unanimous approval of the Board of Directors. Membership of new Participants becomes effective on the first day of the calendar month following the adoption by the Board of Directors of the resolution to accept a new Participant. Current membership of Plan I includes nineteen (19) Participants with the Pittsford Central School District bearing an equal and proportionate share of Plan I's assets and claim liabilities.

Voluntary withdrawal from Plan I is subject to the following constraints:

1. Effective only once annually on the last day of the Plan year.
2. Notice of intention to withdrawal must be given in writing to the Chairman of the Board of Directors and Treasurer not less than thirty (30) days prior to the end of the Plan year. Failure to provide at least thirty (30) days' notice, will result in continued membership in the plan for another year unless all other Participants consent to such withdrawal.

Pursuant to the Municipal Cooperative Agreement, Plan I is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a Participant, and no assessments are charged to a Participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

Plan I purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid. Plan I establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling \$3,146,389.

Plan I is audited on an annual basis and is available at the Monroe 2-Orleans BOCES administrative offices. The most recent audit available for the year ended December 31, 2024, revealed that Plan I is fully funded.

2. **Plan II**

Plan II was established as a Municipal Cooperative under the authorization of Article 5-G of the General Municipal Law in 2004. Plan II received a Certificate of Authority to operate as a self-funded plan under Article 47 of the New York State Insurance Law, effective January 1, 2024.

(XVII.) (Continued)

Membership in Plan II may be offered to any component school district of the Monroe 1 BOCES and Monroe 2-Orleans BOCES within the geographical boundaries of Monroe County, New York provided that the applicant provides proof of its financial responsibility that is satisfactory to the Board of Directors in its sole discretion, and the applicant is the same type of municipal corporation as the initial Participants. Membership of new Participants becomes effective on the first day of the calendar month following a majority vote of the entire Board of Directors and the adoption by the Board of Directors of a resolution to accept the municipal corporation as a Participant. Current membership of Plan II includes nineteen (19) Participants with the Pittsford Central School District bearing an equal and proportionate share of Plan II's assets and claim liabilities.

Voluntary withdrawal from Plan II is subject to the following constraints:

1. Effective only on January 1 of the next Plan Year following the Plan Year in which the Participant provides notice.
2. Notice of intention of a Participant withdraw must be given in writing to the Chairperson and the Treasurer by April 1st of the Plan Year immediately preceding the January 1st withdrawal date. Failure to provide the required written notices in a timely manner will result in continued membership in Plan II for another year unless the Board of Directors consent to such withdrawal.
3. Participant is responsible for pro-rata share of any Plan II deficit and shall satisfy any other obligation relating to the Participant's membership in the Plan.
4. Participant is not entitled to any share of Plan II surplus.

Pursuant to the Municipal Cooperative Agreement as signed by the Participants, Plan II is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. The annual premium equivalent for each coverage option under Plan II is established and approved by a majority of the entire Board of Directors. Each Participant is required to contribute to Plan II an amount equal to the Premium Equivalent applicable to the coverage options, under which the Participants Enrollees are covered. In addition to paying on demand their applicable Premium Equivalent payments, each Participant shall pay on demand such Participant's share of any Assessment Contribution ordered by the Board of Directors. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

Plan II purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid. Plan II establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling \$29,618,399.

Plan II is audited on an annual basis and is available at the Monroe 2-Orleans BOCES administrative offices. The most recent audit available for the year ended December 31, 2024, revealed that the Plan is fully funded.

(XVII.) (Continued)

C. Workers' Compensation

The District is a Participant in the Rochester Area School Workers' Compensation Plan (Plan). The Plan is sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties (Monroe 2-Orleans BOCES) and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings and to provide for risk management to reduce future liability for workers compensation. Membership in the Plan may be offered to any component district of the Board of Cooperative Educational Services, First Supervisory District of Monroe County (Monroe 1 BOCES) and Monroe 2-Orleans BOCES with the approval of the Board of Directors. Current membership of the Plan includes Participants from nineteen (19) municipal corporations.

Voluntary withdrawal from the Plan is subject to the following constraints:

1. Notice on intention to withdraw must be given in writing to the Chairman of the Board of Directors and Treasurer not less than one-hundred twenty (120) days prior to the end of the Plan year.
2. Participant is not entitled to any share of Plan surplus.

If a surplus of Participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan Participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. However, if the Board of Directors determines that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board of Directors shall determine the amount needed to meet such deficiency and shall assess such amount against all Participants their pro-rata share, such additional assessment is due within sixty (60) days after written notification from the Board of Directors.

The Plan purchases, on an annual basis, stop-loss insurance to limit exposure for claims paid. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the period in which they are made. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling \$534,981.

The Plan is audited on an annual basis and is available at the Monroe 2-Orleans BOCES administrative offices. The most recent audit available for the year ended June 30, 2024, revealed that the Plan was fully funded.

(XVII.) (Continued)

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The expenditures of this program for the 2024-25 fiscal year totaled \$24,966. The balance of the fund at June 30, 2025 was \$404,539 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2025, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

E. Health Fund

The District no longer funds the HRA for the teachers and paraprofessionals. The unexpended balance in the Health Fund account at June 30, 2025, which represents the remaining balance of the participants, amounted to \$665,574 and is reported as other liabilities in the General Fund.

F. Dental Fund

The District has a self-insured plan for dental coverage. The plan is administered by a third party administrator who pays the claims directly to the dentists. The District then reimburses the third party administrator for the exact amount of the claims paid. The total cost to the District for dental claims during 2024-25 was \$1,070,752.

XVIII. Commitments and Contingencies

A. Litigation

The District has several real property tax assessment matters in which the individuals and corporations are requesting reduction to their tax assessments.

B. 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.

XIX. Tax Abatement

The County of Monroe IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced \$179,738 and the District received \$115,416 in PILOT revenue.

Required Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2025

TOTAL OPEB LIABILITY									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 3,822,321	\$ 6,293,138	\$ 9,488,343	\$ 10,318,083	\$ 9,370,329	\$ 8,563,234	\$ 9,401,775	\$ 9,016,313	\$ 8,311,872
Interest	6,333,351	8,693,645	9,174,323	7,254,613	7,614,797	9,526,472	10,582,508	10,190,452	8,148,245
Changes in benefit terms	-	(1,320,628)	-	-	-	-	-	(459,965)	-
Differences between expected and actual experiences	19,680,204	(69,657,079)	(61,166,626)	25,110,598	(3,386,911)	(28,005,192)	(29,571,025)	6,060,831	31,761,645
Changes of assumptions or other inputs	(6,941,695)	(5,708,429)	(40,751,076)	(28,797,145)	5,868,120	46,842,600	1,147,095	6,915,240	(17,397,777)
Benefit payments	(6,691,036)	(7,740,176)	(8,461,858)	(7,875,889)	(7,618,256)	(6,933,737)	(7,133,867)	(6,589,823)	(5,928,449)
Net Change in Total OPEB Liability	\$ 16,203,145	\$ (69,439,529)	\$ (91,716,894)	\$ 6,010,260	\$ 11,848,079	\$ 29,993,377	\$ (15,573,514)	\$ 25,133,048	\$ 24,895,536
Total OPEB Liability - Beginning	\$ 161,998,127	\$ 231,437,656	\$ 323,154,550	\$ 317,144,290	\$ 305,296,211	\$ 275,302,834	\$ 290,876,348	\$ 265,743,300	\$ 240,847,764
Total OPEB Liability - Ending	\$ 178,201,272	\$ 161,998,127	\$ 231,437,656	\$ 323,154,550	\$ 317,144,290	\$ 305,296,211	\$ 275,302,834	\$ 290,876,348	\$ 265,743,300
Covered Employee Payroll	\$ 66,716,888	\$ 64,573,656	\$ 62,371,927	\$ 63,566,298	\$ 61,452,338	\$ 63,996,400	\$ 62,000,000	\$ 50,378,752	\$ 50,378,752
Total OPEB Liability as a Percentage of Covered Employee Payroll	267.10%	250.87%	371.06%	508.37%	516.08%	477.05%	444.04%	577.38%	527.49%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2025

NYSERS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (assets)	0.0469%	0.0475%	0.0459%	0.0445%	0.0436%	0.0437%	0.0449%	0.0473%	0.0488%	0.0498%
Proportionate share of the net pension liability (assets)	\$ 8,048,540	\$ 6,995,445	\$ 9,838,795	\$ (3,639,132)	\$ 43,406	\$ 11,561,629	\$ 3,184,369	\$ 1,525,175	\$ 4,586,926	\$ 7,990,840
Covered-employee payroll	\$ 18,798,184	\$ 17,606,738	\$ 16,623,944	\$ 15,769,900	\$ 15,890,575	\$ 15,735,849	\$ 15,663,778	\$ 15,376,066	\$ 15,070,830	\$ 14,262,724
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	42.816%	39.732%	59.184%	(23.076%)	0.273%	73.473%	20.330%	9.919%	30.436%	56.026%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NYSTRS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (assets)	0.2718%	0.2707%	0.2801%	0.2845%	0.2749%	0.2705%	0.2663%	0.2668%	0.2698%	0.2730%
Proportionate share of the net pension liability (assets)	\$ (8,110,462)	\$ 3,095,444	\$ 5,374,447	\$ (49,295,017)	\$ 7,597,241	\$ (7,028,192)	\$ (4,815,351)	\$ (2,027,966)	\$ 2,889,537	\$ (28,352,181)
Covered-employee payroll	\$ 54,921,578	\$ 53,245,532	\$ 51,240,392	\$ 49,695,745	\$ 49,022,821	\$ 47,416,977	\$ 46,066,016	\$ 44,242,586	\$ 43,225,052	\$ 42,391,356
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	(14.767%)	5.814%	10.489%	(99.194%)	15.497%	(14.822%)	(10.453%)	(4.584%)	6.685%	(66.882%)
Plan fiduciary net position as a percentage of the total pension liability	102.10%	99.20%	98.60%	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

(See Independent Auditors' Report)

Required Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2025

NYSERS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 2,626,647	\$ 2,118,033	\$ 1,785,730	\$ 2,356,341	\$ 2,179,525	\$ 2,169,309	\$ 2,215,602	\$ 2,226,497	\$ 2,200,715	\$ 2,420,688
Contributions in relation to the contractually required contribution	(2,626,647)	(2,118,033)	(1,785,730)	(2,356,341)	(2,179,525)	(2,169,309)	(2,215,602)	(2,226,497)	(2,200,715)	(2,420,688)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 18,798,184	\$ 17,606,738	\$ 16,623,944	\$ 15,769,900	\$ 15,890,575	\$ 15,735,849	\$ 15,663,778	\$ 15,376,066	\$ 15,070,830	\$ 14,262,724
Contributions as a percentage of covered-employee payroll	13.97%	12.03%	10.74%	14.94%	13.72%	13.79%	14.14%	14.48%	14.60%	16.97%
NYSTRS Pension Plan										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 6,026,119	\$ 5,609,212	\$ 5,603,186	\$ 5,236,578	\$ 4,134,559	\$ 4,395,512	\$ 5,070,671	\$ 4,519,493	\$ 5,275,356	\$ 5,750,979
Contributions in relation to the contractually required contribution	(6,026,119)	(5,609,212)	(5,603,186)	(5,236,578)	(4,134,559)	(4,395,512)	(5,070,671)	(4,519,493)	(5,275,356)	(5,750,979)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 54,921,578	\$ 53,245,532	\$ 51,240,392	\$ 49,695,745	\$ 49,022,821	\$ 47,416,977	\$ 46,066,016	\$ 44,242,586	\$ 43,225,052	\$ 42,391,356
Contributions as a percentage of covered-employee payroll	10.97%	10.53%	10.94%	10.54%	8.43%	9.27%	11.01%	10.22%	12.20%	13.57%

Required Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2025

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 114,967,504	\$ 111,329,451	\$ 111,304,897	\$ (24,554)
Real property tax items	104,066	3,742,119	3,756,282	14,163
Non-property taxes	7,100,000	7,100,000	7,618,959	518,959
Charges for services	490,500	490,500	622,797	132,297
Use of money and property	842,000	842,000	4,724,726	3,882,726
Sale of property and compensation for loss	118,241	118,241	192,925	74,684
Miscellaneous	835,000	835,000	2,139,212	1,304,212
State Sources -				
Basic formula	29,795,127	29,795,127	22,367,156	(7,427,971)
Lottery aid	-	-	9,788,008	9,788,008
BOCES	3,513,073	3,513,073	4,355,831	842,758
Textbooks	350,024	350,024	346,763	(3,261)
All Other Aid -				
Computer software	186,500	186,500	184,060	(2,440)
Library loan	38,688	38,688	38,181	(507)
Other aid	1,155,072	1,155,072	44,900	(1,110,172)
Federal Sources	<u>65,000</u>	<u>65,000</u>	<u>69,412</u>	<u>4,412</u>
TOTAL REVENUES	<u>\$ 159,560,795</u>	<u>\$ 159,560,795</u>	<u>\$ 167,554,109</u>	<u>\$ 7,993,314</u>
Other Sources -				
Transfer - in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,115</u>	<u>\$ 224,115</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 159,560,795</u>	<u>\$ 159,560,795</u>	<u>\$ 167,778,224</u>	<u>\$ 8,217,429</u>
Appropriated reserves	<u>\$ 1,040,000</u>	<u>\$ 4,084,162</u>		
Appropriated fund balance	<u>\$ 1,196,992</u>	<u>\$ 1,346,992</u>		
Prior year encumbrances	<u>\$ 3,136,001</u>	<u>\$ 3,136,001</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	<u><u>\$ 164,933,788</u></u>	<u><u>\$ 168,127,950</u></u>		

Required Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2025

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 84,180	\$ 56,380	\$ 47,633	\$ -	\$ 8,747
Central administration	552,304	598,427	591,972	451	6,004
Finance	1,298,233	1,730,427	1,330,214	307,729	92,484
Staff	1,215,304	1,284,050	1,145,940	5,896	132,214
Central services	10,965,698	11,286,145	8,821,652	1,513,776	950,717
Special items	1,722,987	1,909,190	1,875,988	-	33,202
Instructional -					
Instruction, administration and improvement	4,804,784	5,125,784	4,853,952	49,264	222,568
Teaching - regular school	43,419,850	42,060,380	41,148,275	162,523	749,582
Programs for children with handicapping conditions	20,200,784	19,075,429	18,481,895	176,584	416,950
Occupational education	694,702	624,702	522,450	-	102,252
Teaching - special schools	35,000	35,000	29,052	-	5,948
Instructional media	7,703,437	9,252,805	8,158,773	988,177	105,855
Pupil services	9,268,533	9,226,529	8,501,069	21,556	703,904
Pupil Transportation	7,004,636	6,314,812	5,655,140	63,365	596,307
Employee Benefits	47,555,106	48,024,929	47,346,416	-	678,513
Debt service - principal	2,775,000	2,874,727	2,874,727	-	-
Debt service - interest	124,875	124,875	124,849	-	26
TOTAL EXPENDITURES	<u>\$ 159,425,413</u>	<u>\$ 159,604,591</u>	<u>\$ 151,509,997</u>	<u>\$ 3,289,321</u>	<u>\$ 4,805,273</u>
Other Uses -					
Transfers - out	\$ 5,508,375	\$ 8,523,359	\$ 8,523,358	\$ -	\$ 1
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 164,933,788</u>	<u>\$ 168,127,950</u>	<u>\$ 160,033,355</u>	<u>\$ 3,289,321</u>	<u>\$ 4,805,274</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 7,744,869		
FUND BALANCE, BEGINNING OF YEAR	<u>55,571,656</u>	<u>55,571,656</u>	<u>55,571,656</u>		
FUND BALANCE, END OF YEAR	<u>\$ 55,571,656</u>	<u>\$ 55,571,656</u>	<u>\$ 63,316,525</u>		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For The Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 161,797,787
Prior year's encumbrances	3,136,001
Original Budget	\$ 164,933,788
Budget revisions -	
Voter Approved Use of IT Reserve - 5/20/25	500,000
Voter Approved Use of Bus reserve - 5/20/25	2,419,162
Amendment for CURINS BOCES Services - BOE 9/10/24	150,000
Amendment for Liability Reserve Use - BOE 9/10/24	125,000
FINAL BUDGET	\$ 168,127,950

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2025-26 voter approved expenditure budget	\$ 168,218,102
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 4,786,313
Unassigned fund balance	6,728,724
Total Unrestricted fund balance	\$ 11,515,037
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 1,496,992
Encumbrances included in assigned fund balance	3,289,321
Total adjustments	\$ 4,786,313
General fund fund balance subject to Section 1318 of Real Property Tax Law	6,728,724
ACTUAL PERCENTAGE	4.00%

Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2025

Project Title	Expenditures					Methods of Financing			Fund Balance	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Local Sources	State Sources		Total
Bus Purchase Reserve 2024-25	\$ 2,229,241	\$ 2,229,241	\$ -	\$ 2,229,241	\$ 2,229,241	\$ -	\$ 2,229,241	\$ -	\$ 2,229,241	\$ -
Bus Purchase Reserve 2025-26	2,419,162	2,419,162	-	-	-	2,419,162	2,419,162	-	2,419,162	2,419,162
Capital Funded by:										
2022-2023 Renovations	600,000	600,000	582,372	17,628	600,000	-	600,000	-	600,000	-
2023-2024 Renovations	600,000	600,000	87,996	467,912	555,908	44,092	600,000	-	600,000	44,092
2024-2025 Renovations	600,000	630,000	-	370,824	370,824	259,176	630,000	-	630,000	259,176
Smart Schools - Phase 3	739,907	739,907	601,244	-	601,244	138,663	-	601,244	601,244	-
2023 Emergency Roof Project	575,000	575,000	352,219	222,781	575,000	-	575,000	-	575,000	-
Technology Purchases 23-24	500,000	500,000	-	500,000	500,000	-	500,000	-	500,000	-
Technology Purchases 24-25	500,000	500,000	-	-	-	500,000	500,000	-	500,000	500,000
\$69.8M Capital Improvement Project	69,822,169	69,822,169	4,383,784	7,206,233	11,590,017	58,232,152	19,875,000	-	19,875,000	8,284,983
Leases	345,039	345,039	-	345,039	345,039	-	345,039	-	345,039	-
TOTAL	\$ 78,930,518	\$ 78,960,518	\$ 6,007,615	\$ 11,359,658	\$ 17,367,273	\$ 61,593,245	\$ 28,273,442	\$ 601,244	\$ 28,874,686	\$ 11,507,413

Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 328,213	\$ 1,361,176	\$ 167,142	\$ 3,205,468	\$ 5,061,999
Investments	-	-	25,448	-	25,448
Receivables	871,760	2,083	-	-	873,843
Inventories	-	32,557	-	-	32,557
Due from other funds	5,570	-	-	-	5,570
TOTAL ASSETS	\$ 1,205,543	\$ 1,395,816	\$ 192,590	\$ 3,205,468	\$ 5,999,417
LIABILITIES AND FUND BALANCES					
<u>Liabilities</u> -					
Accounts payable	\$ 21,825	\$ 105	\$ -	\$ -	\$ 21,930
Accrued liabilities	4,413	15,406	-	-	19,819
Due to other funds	970,112	143,304	-	-	1,113,416
Due to other governments	-	154	-	-	154
Unearned revenue	163,583	125,274	-	-	288,857
TOTAL LIABILITIES	\$ 1,159,933	\$ 284,243	\$ -	\$ -	\$ 1,444,176
<u>Fund Balances</u> -					
Nonspendable	\$ -	\$ 32,557	\$ -	\$ -	\$ 32,557
Restricted	-	-	192,590	3,205,468	3,398,058
Assigned	45,610	1,079,016	-	-	1,124,626
TOTAL FUND BALANCE	\$ 45,610	\$ 1,111,573	192,590	\$ 3,205,468	\$ 4,555,241
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,205,543	\$ 1,395,816	\$ 192,590	\$ 3,205,468	\$ 5,999,417

Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2025

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
REVENUES					
Use of money and property	\$ -	\$ 44,786	\$ -	\$ 163,050	\$ 207,836
Miscellaneous	225,044	9,751	71,252	-	306,047
State sources	683,156	-	-	-	683,156
Federal sources	1,665,966	-	-	-	1,665,966
Sales	-	2,327,289	-	-	2,327,289
TOTAL REVENUES	\$ 2,574,166	\$ 2,381,826	\$ 71,252	\$ 163,050	\$ 5,190,294
EXPENDITURES					
Instruction	\$ 2,596,932	\$ -	\$ -	\$ -	\$ 2,596,932
Pupil transportation	232,923	-	-	-	232,923
Employee benefits	54,715	312,633	-	-	367,348
Debt service - principal	-	-	-	3,175,000	3,175,000
Debt service - interest	-	-	-	1,533,375	1,533,375
Cost of sales	-	1,059,518	-	-	1,059,518
Other expenses	-	961,303	65,956	-	1,027,259
TOTAL EXPENDITURES	\$ 2,884,570	\$ 2,333,454	\$ 65,956	\$ 4,708,375	\$ 9,992,355
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (310,404)	\$ 48,372	\$ 5,296	\$ (4,545,325)	\$ (4,802,061)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 295,822	\$ -	\$ -	\$ 4,708,375	\$ 5,004,197
Premium on obligations issued	-	-	-	95,802	95,802
TOTAL OTHER FINANCING SOURCES (USES)	\$ 295,822	\$ -	\$ -	\$ 4,804,177	\$ 5,099,999
NET CHANGE IN FUND BALANCE	\$ (14,582)	\$ 48,372	\$ 5,296	\$ 258,852	\$ 297,938
FUND BALANCE, BEGINNING OF YEAR	60,192	1,063,201	187,294	2,946,616	4,257,303
FUND BALANCE, END OF YEAR	\$ 45,610	\$ 1,111,573	\$ 192,590	\$ 3,205,468	\$ 4,555,241

Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2025

Capital assets/right to use assets, net		\$ 125,586,240
Deduct:		
Bond payable	\$ 29,145,000	
Lease liability	389,440	
Unamortized bond premium	2,826,071	
Deferred inflow - bond	970,909	
Retainage payable	<u>194,244</u>	
		<u>33,525,664</u>
Net Investment in Capital Assets/Right to Use Assets		<u><u>\$ 92,060,576</u></u>

Supplementary Information
PITTSFORD CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2025

<u>Grantor / Pass - Through Agency</u>	<u>Assistance</u>	<u>Pass-Through</u>	<u>Total</u>
<u>Federal Award Cluster / Program</u>	<u>Listing</u>	<u>Agency</u>	<u>Expenditures</u>
<u>U.S. Department of Education:</u>	<u>Number</u>	<u>Number</u>	
<u>Passed Through NYS Education Department -</u>			
<u>Special Education Cluster IDEA -</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0368	\$ 1,000
Special Education - Grants to States (IDEA, Part B)	84.027	0032-25-0368	1,290,978
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-25-0368	<u>35,972</u>
<i>Total Special Education Cluster IDEA</i>			\$ 1,327,950
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-24-1385	16,697
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-25-1385	68,206
Title IIIA - Immigrant Education	84.365	0293-24-1385	11,976
Title IIIA - Immigrant Education	84.365	0293-25-1385	5,625
Title IV - Student Support and Enrichment Program	84.424	0204-25-1385	4,536
Title I - Grants to Local Educational Agencies	84.010	0021-24-1385	15,515
Title I - Grants to Local Educational Agencies	84.010	0021-25-1385	<u>215,461</u>
Total U.S. Department of Education			\$ 1,665,966
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,665,966



BUSINESS
ADVISORS
AND CPAS

**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***

Independent Auditors' Report

To the Board of Education
Pittsford Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pittsford Central School District, New York (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 16, 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 procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
September 16, 2025