PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 31, 2026

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of WJ Marquardt PLLC, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

The Notes will NOT be designated or deemed designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

$26,700,000

LYONS CENTRAL SCHOOL DISTRICT

WAYNE, SENECA AND ONTARIO COUNTIES, NEW YORK

GENERAL OBLIGATIONS

$26,700,000 Bond Anticipation Notes, 2026 Series B

(referred to herein as the "Notes")

Dated: September 23, 2026 **Due: July 23, 2027**

The Notes are general obligations of the Lyons Central School District, Wayne, Seneca and Ontario Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are NOT subject to redemption prior to maturity.

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

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

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

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of WJ Marquardt PLLC, Bond Counsel, Skaneateles, 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 with the purchaser(s), or about September 23, 2026.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on September 9, 2026 by no later than 10:30 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.

September __, 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 MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

LYONS CENTRAL SCHOOL DISTRICT
WAYNE, SENECA AND ONTARIO COUNTIES, NEW YORK

SCHOOL DISTRICT OFFICIALS

2026-2027 BOARD OF EDUCATION

MARTHA BAILEY
President

LISA STONE
Vice President

ZACH AUNKST
MARK BOOKMILLER
CRYSTAL WADHAMS
BOB OHMANN
RANDY WADHAMS

* * * * * * * * *

MATTHEW BARR
Superintendent of Schools

MICHAEL PANGALLO
Assistant Superintendent for Business
& Administrative Services

KYRA SPRINGETT
Treasurer

FERRARA FIORENZA PC
School District Attorney

BOND SCHOENECK & KING
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

MARQUARDT BOND COUNSEL
WJ Marquardt PLLC
Bond Counsel

No person has been authorized by Lyons 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 Lyons Central School District.

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AUDITED FINANCIAL STATEMENTS – For the Fiscal Year Ending June 30, 2025

PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

LYONS CENTRAL SCHOOL DISTRICT
WAYNE, SENECA AND ONTARIO COUNTIES, NEW YORK

Relating To

$26,700,000 Bond Anticipation Notes, 2026 Series B

This Official Statement, which includes the cover page and appendices, has been prepared by the Lyons Central School District, Wayne, Seneca and Ontario Counties, New York (the "School District" or "District", "Counties", and "State", respectively) in connection with the sale by the School District of $26,700,000 Bond Anticipation Notes, 2026 Series B (herein referred to as the "Notes").

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

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

THE NOTES

Description of the Notes

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

The Notes will be dated September 23, 2026 and will mature, without option of prior redemption, on July 23, 2027. 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 and at the option of the purchaser either (i) registered in the name of the purchaser, with principal and interest payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by such successful bidder; 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. The Notes will be issued in denominations of $5,000 each or multiples thereof, as may be determined by the successful bidder(s)

No Optional Redemption

The Notes shall not be subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, and a bond resolution duly adopted by the Board of Education on September 12, 2023 authorizing the issuance and sale of serial bonds and notes in an amount not to exceed $48,700,000 for the reconstruction of portions of the District's Elementary School Building, Middle/High School Building, and the former Lyons Community Center Building.

The proceeds of the Notes will provide new money for the aforementioned capital project.

NATURE OF OBLIGATION

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

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

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

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

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

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

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

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

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

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

Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

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

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

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

Certificated Notes under Certain Circumstances

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

The Notes will be issued in registered form. Principal of and interest on the Notes will be payable at the option of the purchaser(s) at the office of the District or 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. Paying agent fees, if any, shall be the responsibility of the purchaser(s). A single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount held by each owner at such interest rate. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District covers an area of roughly 48 square miles and is located in the Towns of Lyons, Arcadia, Galen, Rose and Sodus in Wayne County, in the Town of Junius in Seneca County and the Town of Phelps in Ontario County. The District is located approximately 15 miles south of Lake Ontario, approximately 45 miles west of Syracuse and 35 miles east of Rochester. The school buildings are located in the center of Lyons boundaries.

The District is served by New York State Routes 31 and 14, the latter of which provides easy access to the New York State Thruway at Geneva (Exit 42). The District is essentially a rural area with apple, cherry, and other farming prevalent. Lyons is the County seat for Wayne County. Some residents commute to surrounding towns, Rochester and Syracuse for employment. Opportunities for higher education are available in Rochester, Syracuse and the Finger Lakes region.

Source: District officials.

District Population

The 2024 estimated population of the District is 6,265. (Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates.)

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 respective Towns and the Counties listed below. The figures set below with respect to such Towns and Counties is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the Counties is necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2020-2024	2006-2010	2016-2020	2020-2024
Towns of:						
Lyons	$ 18,483	$ 23,213	$ 31,106	$ 47,593	$ 70,260	$ 85,787
Arcadia	18,403	28,628	32,537	46,239	64,520	82,904
Galen	16,385	23,013	30,514	45,175	60,844	76,891
Rose	16,645	26,978	31,339	46,000	69,120	82,434
Sodus	18,170	33,092	37,113	46,286	78,164	78,776
Junius	15,806	23,685	36,642	44,444	60,167	92,917
Phelps	21,297	30,254	38,899	53,854	68,646	92,708
Counties of:						
Wayne	19,258	32,513	38,259	51,594	76,002	94,964
Seneca	17,630	28,703	37,704	45,445	70,915	86,917
Ontario	21,533	37,044	46,303	52,698	83,153	100,623
State of:						
New York	23,389	30,948	50,712	51,691	87,270	106,873

Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates data.

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.

Largest Employers

Name	Type	Employees
Wayne, Seneca, and Ontario Counties	Municipal Government	650
Lyons Central School District	Public Education	223
Lyons National Bank	Financial	215
Silgan Containers Corporation	Manufacturer	75
RusPak	Manufacturer	50

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) are the Counties of Ontario, Seneca and Wayne and the State of New York. The information set forth below with respect to the Counties and State is included for information purposes only. It should not be implied from the inclusion of such data in this Official Statement that the Counties and State is necessarily representative of the District, or vice versa.

	Annual Average						
	2019	2020	2021	2022	2023	2024	2025
Ontario County	3.8%	7.2%	4.4%	3.2%	3.2%	3.4%	3.4%
Seneca County	3.8%	8.1%	5.0%	3.4%	3.4%	3.7%	3.8%
Wayne County	3.8%	7.1%	4.5%	3.2%	3.2%	3.5%	3.6%
New York State	3.9%	9.8%	7.1%	4.3%	4.0%	4.2%	4.3%

	2026 Monthly Figures							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Ontario County	4.1%	4.5%	4.0%	3.6%	3.5%	3.5%	3.6%	N/A
Seneca County	4.6%	5.0%	4.5%	3.8%	3.7%	3.6%	3.7%	N/A
Wayne County	4.4%	4.9%	4.5%	3.8%	3.7%	3.6%	3.5%	N/A
New York State	4.7%	5.2%	4.4%	4.2%	4.2%	4.4%	4.2%	N/A

Note: Unemployment rates for the month of August 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 School District, consists of seven members with overlapping four-year terms so that as nearly as possible an equal number are elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold certain other district offices or positions while serving on the Board of Education. The President and Vice President are selected by the Board members.

Investment Policy

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

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) Savings Accounts, Now Accounts or Money Market Accounts of designated banks, (2) Certificates of Deposit issued by a bank or trust company located and authorized to do business in New York State, (3) Demand Deposit Accounts in a bank or trust company authorized to do business in New York State, (4) Obligations of New York State, (5) Obligations of the United States Government (U.S. Treasury Bills and Notes) and (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

The District policy does not permit the District to enter into reverse repurchase agreements or make other derivative type investments.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares a detailed statement of estimated sums necessary for the various expenditures of the School District for the ensuing fiscal year (tentative budget) and distributes that statement not less than seven days prior to the date on which the annual school election is conducted, at which the tentative budget is voted upon. Notice of the annual election is published as required by statute with a first publication not less than forty-five days prior to the day of election.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the Tax Cap also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e., a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). 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 Vote Results

The budget for the 2025-26 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 244 yes to 78 no. The District's adopted budget for the 2025-26 fiscal year included a total tax levy increase of 1.7%, which was within the District tax levy limit of 20.0% for the 2025-26 fiscal year.

The budget for the 2026-27 fiscal year was approved by the qualified voters on May 19, 2026 by a vote of 174 yes to 75 no. The District's adopted budget for the 2026-27 fiscal year included a total tax levy increase of 1.7%, which was within the District's tax levy limit of 11.4% for the 2026-27 fiscal year.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2026-27 fiscal year, approximately 72.0% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also "MARKET AND RISK FACTORS").

State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's Enacted Budgets were adopted after the April 1 deadline in the State's fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late), 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late) and 2026-27 (adopted on May 27, 2026, fifty-six (56) days late). The State's Enacted Budgets were adopted by April 1 or shortly thereafter in the State's fiscal years 2016-17 through 2022-23, inclusive. 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 (the "Education 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 Education 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.

In furtherance of the Education Executive Order, on June 16, 2026, the U.S. Department of Education announced four new interagency agreements that shift the management and administration of federal special education programs to the Department of Health and Human Services ("HHS"). Key elements of the change include:

- **Oversight Shift**: Day-to-day management and grant administration for the Office of Special Education and Rehabilitative Services and the Office of Special Education Programs are being transferred to HHS.
- **Statutory Responsibility**: Legally, the statutory authority for the Individuals with Disabilities Education Act remains with the Department of Education, but its actual execution is outsourced.
- **DOJ Integration**: Civil rights and student privacy enforcement are simultaneously being moved to the Department of Justice.

While the interagency agreements are immediately, Senior Administration officials have publicly noted that operational details, staff relocations, and specific execution timelines are still actively being sorted out.

The full impact that the Education Executive Order will have on the State and school districts in the State is unknown at this time.

Building Aid

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 building aid ratios, the District expects to receive State building aid of approximately 97.1% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

State Aid History

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

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included $29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included $31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding was included to establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional $150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year. This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

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

Provisions in the State's 2025-26 Enacted Budget granted the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provided that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State. No "general fund imbalance" occurred during the State's 2025-26 fiscal year.

The State's 2026-27 Enacted Budget was signed into law on May 27, 2026 – fifty-six (56) days after the April 1 start of the fiscal year. The FY 2026-27 Education, Labor and Family Assistance (ELFA) legislation contains several significant provisions affecting New York public school districts. The major school district–related items include:

- **Foundation Aid increase:** The Enacted Budget provides an approximately $779 million increase in Foundation Aid, bringing total Foundation Aid to about $27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase:** Total School Aid for the 2026-27 school year is projected at approximately $39.3 billion, an increase of roughly $1.6 billion over the prior year.
- **Universal Pre-K expansion:** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded:** The Enacted Budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly $282 million statewide.
- **Building Aid for renewable energy projects:** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project's "primary cost allowance" for Building Aid purposes.
- **Zero emission bus mandate:** The Enacted Budget also extended the zero-emission bus mandate by five years, allowing districts until July 1, 2032, to purchase only zero-emission buses and until July 1, 2040, to operate and maintain only zero-emission buses.

Foundation Aid formula adjustments. The budget continues recent efforts to modernize the Foundation Aid formula by relying more heavily on updated poverty and economic-need data instead of older census metrics and free-and-reduced lunch statistics.

State Aid Litigation

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

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of the CFE decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as Foundation Aid. The stated purpose of Foundation Aid is to prioritize funding distribution

based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in Foundation Aid over a four fiscal year phase-in covering 2007 to 2011.

A case related to the CFE was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights v. State of New York ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Hochul announced that New York State reached an agreement to settle and discontinue the NYSER case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the CFE cases, and had been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create an equitable distribution of state funding to schools, however, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 and FY 2025 budget and enacted this commitment into law.

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

- FY 2022: $19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.
- FY 2027 Budget: $27.1 billion in Foundation Aid, an increase of $779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

The State's 2025-26 and 2026-27 Budgets also made a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid:

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2021-2022	$ 23,547,006	$ 16,719,038	71.00%
2022-2023	24,837,574	18,032,216	72.60
2023-2024	27,373,502	20,115,992	73.49
2024-2025	28,319,948	20,568,739	72.63
2025-2026 (Unaudited)	32,939,812	23,732,253	72.04
2026-2027 (Budgeted)	34,495,618 [2]	24,842,635	72.02

[1] Does not include interfund transfers.
[2] Does not include $400,000 of appropriated fund balance.

Source: 2021-22 through and including 2024-25 audited financial statements of the District, unaudited figures for the 2025-26 fiscal year and the adopted budget of the District for the 2026-27 fiscal year. This table is not audited. The unaudited figures for the 2025-26 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

District Facilities

Name	Grades	Capacity	Year(s) Built
Elementary School	K-6	1,040	1922, 1997
Junior-Senior High School	7-12	1,150	1954, 1999

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2021-22	913	2026-27	935
2022-23	915	2027-28	935
2023-24	913	2028-29	940
2024-25	917	2029-30	945
2025-26	935	2030-31	950

Source: District officials.

Employees

The District employs 194 full-time and 51 part-time employees with representation by various unions as follows:

Association	Periods Covered	Number of Members	Affiliation
Lyons Teachers' Assoc.	07-01-21/06-30-25 [(1)]	104	New York State United Teacher
Lyons Support Staff Assoc.	07-01-21/06-30-28	90	New York State United Teachers
Lyons Bus Drivers' Assoc.	07-01-22/06-30-28	40	None
Lyons Administrators' Assoc.	07-01-22/06-30-28	11	School Administrators Assoc. of NY

[(1)] Currently under negotiation.

Source: District officials.

Status and Financing of Employee Pension Benefits

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

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.

- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, a new Tier VI pension program was signed into law, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State's 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members.

The State's Enacted 2026-27 Budget made a number of changes to the Tier VI pension program:

- Lowered Retirement Age: The full-benefit retirement age is reduced from 63 to 58 for members with 30 years of service, allowing educators to retire without pension penalties earlier.
- Reduced Contribution Rates: Member pension contribution percentages are adjusted into tiered salary brackets:
  - $75,000 or less: 3%
  - Over $75,000 to $100,000: 4%
  - Over $100,000 to $125,000: 5.25%
  - Over $125,000: 5.75%
- Overtime Cap Increase: For eligible members, the maximum amount of overtime used to calculate final average salary benefits has been increased to $30,000 plus CPI (up from the previous $22,500 cap.

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

Fiscal Year	ERS	TRS
2021-2022	$ 323,466	$ 669,619
2022-2023	456,646	637,671
2023-2024	325,562	720,482
2024-2025	516,237	523,103
2025-2026	560,642	652,100
2026-2027 (Budgeted)	645,987	677,643

Source: District officials.

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

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

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2021-22 to 2026-27) is shown below:

Fiscal Year	ERS	TRS
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2026-27	17.6	8.24

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

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that authorized local governments, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS (the "Stable Rate Pension Contribution Option"). For 2016-17 the stable contribution option rate is 15.1% for ERS and 14.13% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS reserve fund.

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

Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

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

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

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.

The District contracted with Questar III to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability for the 2023-24 and 2024-25 fiscal years, by source:

Balance beginning at:	June 30, 2023	June 30, 2024
	$ 39,495,063	$ 39,341,912
Changes for the year:		
Service cost	1,377,346	934,396
Interest on total OPEB liability	1,467,015	1,564,085
Changes in Benefit Terms	-	-
Differences between expected and actual experience	-	-
Changes in Assumptions or other inputs	(1,624,797)	(3,252,910)
Benefit payments	(1,372,715)	(964,701)
Net Changes	$ (153,151)	$ (1,719,130)
Balance ending at:	**June 30, 2024**	**June 30, 2025**
	$ 39,341,912	**$ 37,622,782**

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

The aforementioned liability and ARC are recognized and will be disclosed in accordance with GASB 45 standards in the District's audited financial statements.

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.

Financial Statements

The 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-E" to this Official Statement. The audited financial report for fiscal year ended June 30, 2026 is not complete as of the date of 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 unaudited estimates, the District expects to end the fiscal year ending June 30, 2026 with an unappropriated unreserved fund balance of $1,350,000.

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

Revenues:	$ 32,939,812
Expenditures:	32,100,000
Excess (Deficit) Revenues Over Expenditures:	$ 839,812
Beginning Fund Balance at June 30, 2025:	$ 5,206,983
Total Projected Fund Balance at June 30, 2026:	$ 6,046,795

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

Source: District officials.

New York State Comptroller Reports of Examination

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

The State Comptroller's Office released an audit report of the District on September 9, 2022. The purpose of the audit was to determine whether officials ensured the District accurately paid employees' salaries and wages for the period July 1, 2020 through April 8, 2022.

Key Findings

District officials did not ensure employees' salaries and wages were always paid accurately. As a result:

- Two employees were paid rates inconsistent with Board authorized rates or collective bargaining agreements (CBAs), resulting in one employee receiving additional compensation of $4,940 and one employee being underpaid $731.
- Leave time was not always accrued in accordance with employment contract (contract) or CBA provisions, which resulted in one employee accruing two additional sick days and one employee not being credited 9.5 hours of compensatory time.
- The payroll supervisor was responsible for all aspects of processing payroll including affixing the Treasurer's signature to checks with limited oversight.

Key Recommendations

- Ensure that employees are paid in accordance with approved salaries and/or applicable CBAs and that leave time is accrued in accordance with contracts and CBAs.
- Segregate payroll duties or implement adequate compensating controls, and ensure the Treasurer maintains control of their signature.

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

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

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

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 classifications of the District for the 2020-21 through 2024-25 fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2025	No Designation	0.0
2024	No Designation	0.0
2023	No Designation	13.3
2022	No Designation	20.0
2021	No Designation	20.0

Note: The Stress Designation and Fiscal Score for the 2025-26 fiscal year has not been calculated as of the date of this Official Statement.

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

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

Other Information

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

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

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

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

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

TAX INFORMATION

Taxable Valuations

Fiscal Year Ending June 30:	2023	2024	2025	2026	2027
Towns of:					
Lyons	$ 198,310,129	$ 197,875,014	$ 198,640,094	$ 390,265,983 (1)	$ 396,092,013
Arcadia	9,241,905	9,128,638	21,336,653 (1)	21,464,992	21,548,373
Galen	17,836,512	18,434,346	18,418,355	18,298,995	18,262,511
Rose	5,446	7,035	18,156	18,068	25,375
Sodus	12,413,264	12,556,152	12,936,809	12,945,966	13,043,211
Junius	5,719,266	5,739,010	5,574,123	5,578,867	5,378,668
Phelps	8,540,468	8,612,837	8,680,960	8,501,930	8,595,063
Total Assessed Values	$ 252,066,990	$ 252,353,032	$ 265,605,150	$ 457,074,801	$ 462,945,214
State Equalization Rates					
Towns of:					
Lyons	72.00%	64.00%	60.00%	100.00% (1)	95.00%
Arcadia	69.00%	64.00%	100.00% (1)	96.00%	90.00%
Galen	95.00%	84.00%	79.00%	65.00%	57.00%
Rose	90.00%	100.00%	100.00%	89.00%	100.00%
Sodus	81.00%	71.00%	66.00%	57.00%	55.00%
Junius	97.00%	87.00%	79.00%	62.00%	60.00%
Phelps	92.00%	82.00%	78.00%	72.00%	64.00%
Total Taxable Full Valuation	$ 338,110,412	$ 380,180,635	$ 413,522,519	$ 484,316,581	$ 519,055,627

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

Source: District officials.

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2023	2024	2025	2026	2027
Towns of:					
Lyons	$ 21.41	$ 21.79	$ 21.72	$ 11.32 (1)	$ 10.74
Arcadia	22.29	21.79	13.04 (1)	11.32	10.74
Galen	16.23	16.60	16.51	11.32	10.74
Rose	17.13	13.94	13.04	11.32	10.74
Sodus	19.03	19.64	19.76	11.32	10.74
Junius	18.55	18.73	19.28	12.16	11.58
Phelps	18.02	19.04	17.94	12.16	11.58

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

Source: District officials.

Tax Collection Procedure

School District taxes are due September 1, payable during the month of September without penalty. Payments during the month of October are subject to a 2% penalty. No payments are accepted after October 31. Uncollected school taxes are turned over to the respective Counties after November 1 for collection with a penalty and additional interest added. The Counties reimburse the District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 100% tax collection annually.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2023	2024	2025	2026	2027
Total Tax Levy	$ 5,230,518	$ 5,319,437	$ 5,409,867	$ 5,501,835	$ 5,595,366
STAR Program	867,216	789,223	707,145	676,104	636,104
Amount Uncollected [1]	380,234	373,212	367,336	613,004	N/A
% Uncollected	7.27%	7.02%	6.79%	11.14%	-

[1] The District is made whole on uncollected taxes. See "Tax Collection Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes and Tax Items.

Fiscal Year	Total Revenues [1]	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2021-2022	$ 23,547,006	$ 5,300,321	22.51%
2022-2023	24,837,574	5,345,781	21.52
2023-2024	27,373,502	5,430,157	19.84
2024-2025	28,319,948	5,513,718	19.47
2025-2026 (Unaudited)	32,939,812	5,517,916	16.75
2026-2027 (Budgeted)	34,895,618 [2]	5,595,366	16.03

[1] Does not include interfund transfers.
[2] Does not include $400,000 of appropriated fund balance.

Source: 2021-22 through and including 2024-25 audited financial statements of the District, unaudited figures for the 2025-26 fiscal year and the adopted budget of the District for the 2026-27 fiscal year. This table is not audited. The unaudited figures for the 2025-26 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

Ten Larger Taxpayers – 2025 Assessment Roll for 2025-26 District Tax Roll

Name	Type	Taxable Assessed Valuation
NYSEG	Utility	$ 16,351,123
Silgan Containers	Manufacturer	11,900,000
CSX Transportation	Railroad	8,866,741
Empire Pipeline	Utility	7,687,767
Midland Asphalt	Commercial	6,500,000
Colony Realty	Commercial	5,300,000
Jason Winburn	Real Estate	4,564,000
Canalview Housing	Real Estate	4,300,000
Lyons Sohn Alloway LLC	Real Estate	3,600,000
Nor Win Campgrounds & Fruit Farm	Real Estate	3,491,915

The ten larger taxpayers listed above have a total taxable assessed valuation of $72,561,546 which represents 13.97% of the 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's finances.

Source: District officials.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $110,750 or less for the 2026-27 school year, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $88,500 for the 2026-27 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

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

The table below lists the basic and enhanced exemption amounts for the 2026-27 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Lyons	$ 91,230	$ 31,790	4/10/2026
Arcadia	84,960	28,800	4/10/2026
Galen	60,540	21,090	4/10/2026
Rose	88,500	30,000	4/10/2026
Sodus	50,580	17,620	4/10/2026
Junius	60,540	21,090	4/10/2026
Phelps	63,720	21,600	4/10/2026

$676,104 of the District's $5,501,834 school tax levy for the 2025-26 fiscal year was exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State in January 2026

The District anticipates a similar amount to be exempted by the STAR Program for 2026-27.

Additional Tax Information

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

Senior citizens' STAR exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Agricultural – 60%, Residential – 20%, and Commercial – 20%.

The estimated total annual property tax bill of a $100,000 market value residential property located in the District is approximately $2,882 including County, Town, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

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

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

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

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

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

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

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

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

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the District and the Notes, 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 corporation 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 school district purpose and shall pledge its faith and credit for the payment of the principal of and interest thereon.

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

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

Statutory Procedure

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

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

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

Debt Limit. Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any School District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

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

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

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

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

The District generally complies with the estoppel procedure when adopting bond resolutions relating to capital projects.

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

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

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2022	2023	2024	2025	2026
Bonds	$ 9,700,000	$ 8,360,000	$ 7,350,000	$ 6,385,000	$ 5,445,000
Bond Anticipation Notes	0	0	15,000,000	14,876,000	19,506,000
Total Debt Outstanding	$ 9,700,000	$ 8,360,000	$ 22,350,000	$ 21,261,000	$ 24,951,000

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of August 31, 2026.

Type of Indebtedness	Maturity	Amount
Bonds	2027-2034	$ 5,445,000
Bond Anticipation Notes		
2023 Capital Project	June 25, 2027	19,506,000
	Total Indebtedness:	$ 24,951,000

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of August 31, 2026:

Full Valuation of Taxable Real Property			$ 519,055,627
Debt Limit 10% thereof			51,805,562
Inclusions:			
Bonds	$ 5,445,000		
Bond Anticipation Notes (BANs):	19,506,000		
Total Inclusions prior to issuance of the Notes	24,951,000		
Less: BANs being redeemed from appropriations	0		
Add: New money proceeds of the Notes	26,700,000		
Total Net Inclusions after issuance of the Notes		$ 51,651,000	
Exclusions:			
State Building Aid [2]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 51,651,000
Net Debt-Contracting Margin			$ 154,562
The percent of debt contracting power exhausted is			99.70%

(1) Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2026-27 Building Aid Ratios, the School District anticipates State Building aid of 97.1% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

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

Bonded Debt Service

A schedule of bonded debt service may be found attached hereto as "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District has not found it necessary in the past to issue revenue anticipation notes. The District does not currently anticipate issuing either tax anticipation notes or revenue anticipation notes in the foreseeable future.

Capital Project Plans

On August 30, 2023, the qualified voters of the District approved a proposition authorizing a capital project consisting of the reconstruction and renovation of, and the construction of improvements, additions and upgrades to various District buildings and facilities and the sites thereof, including the Middle/High School Building, the Elementary School Building and the former Lyons Community Center Building, to include an enclosed elevated pedestrian walkway crossing Manhattan Street and the demolition of the former water treatment plant (the "2023 Capital Project"), at a maximum estimated cost of $55,000,000, including the expenditure of $5,500,000 of the District's capital reserve funds and $800,000 of other available funds of the District to finance a portion of the 2023 Capital Project. To date, the District has issued $20,000,000 bond anticipation notes pursuant to this authorization, of which $19,506,000 bond anticipation notes are currently outstanding and will mature on June 25, 2027. The proceeds of the Notes will provide additional new money for the 2023 Capital Project.

There are presently no other capital projects authorized or unissued, nor are there any contemplated by the District at this time.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The estimated outstanding indebtedness of such political subdivisions is as follows:

Municipality	Status of Debt as of	Gross Indebtedness [1]	District Share	Net Overlapping Indebtedness
Counties of:				
Wayne	12/31/2024	$ 8,137,000	4.66%	$ 379,184
Seneca	12/31/2024	20,802,090	0.20%	41,604
Ontario	12/31/2024	16,655,757	0.07%	11,659
Towns of:				
Arcadia	12/31/2024	8,306,000	2.07%	171,934
Galen	12/31/2024	-	8.82%	-
Junius	12/31/2024	924,245	4.72%	43,624
Lyons	12/31/2024	897,065	98.71%	885,493
Phelps	12/31/2024	4,475,000	1.67%	74,733
Rose	12/31/2024	-	0.01%	-
Sodus	12/31/2024	-	2.63%	-
			Total:	$ 1,608,231

[1] Outstanding bonds and bond anticipation notes of the respective municipality. 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 excludable debt for municipalities, such as water debt, sewer debt and budgeted appropriations, to the extent such indebtedness may be applicable to the respective municipality, is not provided in the local government data the above table is sourced from.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of August 31, 2026:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 51,651,000	$ 8,244.37	9.95%
Net Indebtedness Plus Gross Overlapping Indebtedness [d]	53,259,231	5,501.07	10.26

[a] The 2024 estimated population of the District is 6,265. (See "THE SCHOOL DISTRICT – District Population" herein.)
[b] The District's full value of taxable real estate for the District's 2026-27 tax roll is $519,055,627. (See "TAX INFORMATION - Taxable Valuations" herein.)
[c] See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.
[d] The District's estimated share of Gross Overlapping Indebtedness is $1,608,231. (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 issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

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

General Municipal Law Contract Creditors' Provision. 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.

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. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the 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 School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School 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 School 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 School 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 School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. See also "THE SCHOOL DISTRICT – State Aid" herein.

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

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

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Notes should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder or noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

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

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

Cybersecurity

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

TAX MATTERS

In the opinion of WJ Marquardt PLLC, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. The proposed form of opinion of Bond Counsel is set forth in "APPENDIX – D"

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The School District has covenanted to comply with certain restrictions designed to insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. 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 of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, 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, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to the in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, legislative proposals have been advanced that would limit the exclusion from gross income of interest on obligations like the Notes to some extent for taxpayers who are individuals whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of WJ Marquardt PLLC, Bond Counsel to the District. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – D".

WJ Marquardt PLLC 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 information in this Official Statement.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. Except as set forth below, 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.

As of date of this Official Statement, a CVA claim has been filed against the District. The claim is currently in the discovery stage and in the process of being evaluated. It is not anticipated that the claims will have a material impact on the District's financial status at this time.

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

CONTINUING DISCLOSURE

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

Historical Continuing Disclosure Compliance

Except as noted below, the District is, in all material respects, in compliance with all prior undertakings pursuant to the Rule for the past five years.

- The District was 1 day late in filing its annual financial information and operating data (AFIOD) for the fiscal year ending June 30, 2022. The AFIOD was required to be filed to the no later than December 27, 2022 (180 days after the fiscal year end) but was not filed to the Electronic Municipal Market Access Website (EMMA) until December 28, 2022. The District provided notice of its failure to file on January 10, 2023.
- The District was 43 days late in filing its AFIOD for the fiscal year ending June 30, 2023. The AFIOD was required to be filed to the no later than December 27, 2022 (180 days after the fiscal year end) but was not filed to EMMA until February 8, 2023. The District has provided notice of its failure to file on January 30, 2024.
- The District was 43 days late in filing its AFIOD for the fiscal year ending June 30, 2023. The AFIOD was required to be filed to the no later than December 27, 2022 (180 days after the fiscal year end) but was not filed to EMMA until February 8, 2023. The District has provided notice of its failure to file on January 30, 2024.
- The District failed to provide its AFIOD and audited financial statement for the fiscal year ended June 30, 2025 in a timely manner. The AFIOD and audit were required to be filed to EMMA no later than December 27, 2025 (180 days after the fiscal year end), however, the audit was not filed to EMMA until December 31, 2025, and the AFIOD was not filed to EMMA until June 5, 2026. Notice of its failure to file was filed to EMMA on June 5, 2026.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

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

RATINGS

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 Undertaking to Provide Notice of certain Material Events, the form of which is attached hereto as "APPENDIX – C".

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

The District does not currently have any outstanding general obligation debt rated by Moody's Ratings.

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

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 the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and 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 EMMA. When used in District documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases 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.

WJ Marquardt PLLC, Skaneateles, 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 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 limitation as to information in the Official Statement obtained from sources other than the District, as to which no representation can be made.

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 assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's Bond Counsel information is as follows: William J. Marquardt, Esq., WJ Marquardt PLLC, 33 East Genesee Street, Suite 200, Skaneateles NY, 13152, Phone: (315) 612-7777, Fax: (315) 291-7078, email: william.marquardt@lawwjm.com.

The District contact information is as follows: Mike Pangallo, Assistant Superintendent for Business, 10 Clyde Rd., Lyons, New York 14489, Phone: (315) 946-2220 x 2017, Fax: (315) 946-2205, Email: mpangallo@lyonscsd.org.

This Official Statement has been duly executed and delivered by the President of the Board of Education of the Lyons Central School District, on behalf thereof.

LYONS CENTRAL SCHOOL DISTRICT

Dated: August 31, 2026

MARTHA BAILEY
PRESIDENT OF THE BOARD OF EDUCATION
AND CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
ASSETS:					
Cash and Cash Equivalents	$ 4,737,142	$ 6,177,319	$ 8,790,053	$ 8,369,129	$ 8,606,512
Receivables	1,312,911	1,314,366	1,082,539	2,144,155	1,376,122
State and Federal Aid Receivable	-	-	-	-	-
Due from Other Funds	4,337,484	2,439,564	1,514,441	2,354,549	3,536,202
Other Receivables	-	708	-	-	-
TOTAL ASSETS	$ 10,387,537	$ 9,931,957	$ 11,387,033	$ 12,867,833	$ 13,518,836
LIABILITIES AND FUND EQUITY:					
Accounts Payable	$ 96,633	$ 148,334	$ 200,112	$ 292,083	$ 259,558
Accrued Liabilities	139,849	47,386	27,500	38,225	28,533
Compensated Absences	14,892	14,892	-	14,892	-
Due to Other Funds	1,616,184	72,702	133,877	6,307,634	6,525,396
Due to Teachers' Retirement System	687,627	818,556	907,462	958,255	1,001,297
Due to Employee Retirement System	113,464	90,405	112,270	143,294	145,800
Other Liabilities	284,994	300,470	637,364	330,865	351,269
Unearned Revenue	-	-	14,892	-	-
TOTAL LIABILITIES	$ 2,953,643	$ 1,492,745	$ 2,033,477	$ 8,085,248	$ 8,311,853
FUND EQUITY:					
Nonspendable	$ -	$ 708	$ -	$ -	$ -
Restricted	5,793,926	6,870,443	7,993,367	3,574,410	3,375,771
Assigned	655,954	498,526	600,131	427,435	513,620
Unassigned	984,014	1,069,535	760,058	780,740	1,317,592
TOTAL FUND EQUITY	$ 7,433,894	$ 8,439,212	$ 9,353,556	$ 4,782,585	$ 5,206,983
TOTAL LIABILITIES & FUND EQUITY	$ 10,387,537	$ 9,931,957	$ 11,387,033	$ 12,867,833	$ 13,518,836

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
REVENUES:					
Real Property Taxes	$ 4,140,630	$ 4,290,324	$ 4,465,716	$ 4,627,537	$ 4,793,197
Real Property Tax Items	1,152,427	1,009,997	880,065	802,620	720,521
Non-Property Tax Items	359,741	376,327	379,223	377,816	385,201
Charges for Services	51,139	116,047	57,402	71,750	127,911
Use of Money & Property	16,925	12,965	218,379	544,235	802,602
Sale of Property and Compensation for Loss	15,724	22,642	83,770	7,946	11,085
Miscellaneous	381,040	571,682	401,489	590,561	714,003
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	16,418,035	16,719,038	18,032,216	20,115,992	20,568,739
Revenues from Federal Sources	476,138	427,984	319,314	235,045	196,689
Total Revenues	$ 23,011,799	$ 23,547,006	$ 24,837,574	$ 27,373,502	$ 28,319,948
Other Sources:					
Interfund Transfers	-	-	-	18,636	132,269
Total Revenues and Other Sources	$ 23,011,799	$ 23,547,006	$ 24,837,574	$ 27,392,138	$ 28,452,217
EXPENDITURES:					
General Support	$ 2,687,227	$ 2,872,537	$ 3,232,464	$ 3,708,568	$ 4,009,434
Instruction	10,824,400	11,244,802	11,501,996	13,225,244	14,278,469
Pupil Transportation	1,220,353	1,491,527	1,541,545	1,607,505	1,770,058
Employee Benefits	4,703,506	4,999,645	5,477,524	5,442,872	5,638,082
Debt Service	1,881,507	1,724,418	1,720,156	1,513,424	2,063,306
Total Expenditures	$ 21,316,993	$ 22,332,929	$ 23,473,685	$ 25,497,613	$ 27,759,349
Other Uses:					
Interfund Transfers	579,658	208,759	449,545	6,465,496 [1]	268,470
Total Expenditures and Other Uses	$ 21,896,651	$ 22,541,688	$ 23,923,230	$ 31,963,109	$ 28,027,819
Excess (Deficit) Revenues Over Expenditures	1,115,148	1,005,318	914,344	(4,570,971)	424,398
FUND BALANCE:					
Fund Balance - Beginning of Year	6,318,746	7,433,894	8,439,212	9,353,556	4,782,585
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 7,433,894	$ 8,439,212	$ 9,353,556	$ 4,782,585	$ 5,206,983

[1] Includes $5,500,000 transfer to the capital reserve fund for the 2023 capital project and $373,034 transfer for bus purchases.

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026	2027
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES:					
Real Property Taxes	$ 4,806,104	$ 4,806,104	$ 4,793,197	$ 5,501,835	$ 5,595,366
Real Property Tax Items	707,145	707,145	720,521	106,482	109,482
Non-Property Tax Items	425,000	425,000	385,201	485,000	510,000
Charges for Services	-	150,000	127,911	-	-
Use of Money & Property	-	600,000	802,602	-	-
Sale of Property and Compensation for Loss	-	-	11,085	-	-
Miscellaneous	-	800,000	714,003	2,714,242	3,438,135
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	22,202,000	22,202,000	20,568,739	23,732,253	24,842,635
Revenues from Federal Sources	1,904,075	354,075	196,689	-	-
Total Revenues	$ 30,044,324	$ 30,044,324	$ 28,319,948	$ 32,539,812	$ 34,495,618
Other Sources:					
Prior Year Encumbrances	$ 27,435	$ 27,435	$ -	$ -	$ -
Appropriated Fund Balance	400,000	400,000	-	400,000	400,000
Appropriated Reserves	-	505,000	-	-	-
Interfund Transfers	-	-	132,269	-	-
Total Revenues and Other Sources	$ 30,471,759	$ 30,976,759	$ 28,452,217	$ 32,939,812	$ 34,895,618
EXPENDITURES:					
General Support	$ 3,489,511	$ 4,362,568	$ 4,009,434	$ 4,010,806	$ 4,514,960
Instruction	15,249,647	15,560,425	14,278,469	16,616,675	16,922,839
Pupil Transportation	2,357,901	2,525,592	1,770,058	2,492,531	2,698,868
Employee Benefits	7,410,393	6,171,397	5,638,082	7,617,818	8,014,719
Debt Service	1,964,307	2,088,307	2,063,306	2,201,982	2,644,232
Total Expenditures	$ 30,471,759	$ 30,708,289	$ 27,759,349	$ 32,939,812	$ 34,795,618
Other Uses:					
Interfund Transfers	-	268,470	268,470	-	100,000
Total Expenditures and Other Uses	$ 30,471,759	$ 30,976,759	$ 28,027,819	$ 32,939,812	$ 34,895,618
Excess (Deficit) Revenues Over Expenditures	-	-	424,398	-	-
FUND BALANCE:					
Fund Balance - Beginning of Year	-	-	4,782,585	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 5,206,983	$ -	$ -

Source: 2024-25 audited financial report and 2025-26 and 2026-27 adopted budgets (unaudited) of the School District.
This appendix itself is not audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2027	$ 920,000	$ 224,231	$ 1,144,231
2028	885,000	186,125	1,071,125
2029	825,000	148,000	973,000
2030	715,000	110,250	825,250
2031	750,000	74,500	824,500
2032	775,000	52,000	827,000
2033	450,000	28,750	478,750
2034	125,000	6,250	131,250
TOTALS	$ 5,445,000	$ 830,106.26	$ 6,275,106.26

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2016 Refunding of 2008 A & B & 2008 Library			2019A DASNY Capital Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2027	$ 105,000	$ 4,481	$ 109,481	$ 620,000	$ 208,000	$ 828,000
2028	100,000	2,250	102,250	650,000	177,000	827,000
2029	-	-	-	685,000	144,500	829,500
2030	-	-	-	715,000	110,250	825,250
2031	-	-	-	750,000	74,500	824,500
2032	-	-	-	775,000	52,000	827,000
2033	-	-	-	450,000	28,750	478,750
2034	-	-	-	125,000	6,250	131,250
TOTALS	$ 205,000	$ 6,731	$ 211,731	$ 4,770,000	$ 801,250	$ 5,571,250

Fiscal Year Ending June 30th	2022 Refunding of 2008 A & B & 2008 Library		
	Principal	Interest	Total
2027	$ 195,000	$ 11,750	$ 206,750
2028	135,000	6,875	141,875
2029	140,000	3,500	143,500
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
TOTALS	$ 470,000	$ 22,125	$ 492,125

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, the School 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 Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC 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 securities, 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 securities, or other material events affecting the tax status of the Notes

(g) modifications to rights of security holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the securities

(k) rating changes

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

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

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

(o) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect 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 School District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School 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 government authority has assumed jurisdiction over substantially all of the assets or business of the School 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 School District.

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

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

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

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

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

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

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APPENDIX - D

FORM OF OPINION OF BOND COUNSEL

September 23, 2026

Lyons Central School District
10 Old Clyde Rd.
Lyons, New York 14489

Re: Lyons Central School District, Wayne, Seneca and Ontario Counties, New York
$26,700,000 Bond Anticipation Notes, 2026 Series B

Ladies and Gentlemen:

As Bond Counsel to the Lyons Central School District, Counties of Wayne, Seneca and Ontario, State of New York, (the "District"), we have examined a record of proceedings relating to the issuance of $26,700,000 Bond Anticipation Notes, 2026 Series B (the "Notes"). The Notes are dated September 23, 2026 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before September 23, 2026 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon, without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our 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 herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

WJ MARQUARDT PLLC

LYONS CENTRAL SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2025

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

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

LYONS CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2025

MMB+CO

BUSINESS
ADVISORS
AND CPAS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lyons 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 Opinions

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

Responsibilities of Management for the Financial Statements

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 50-54 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.

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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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
October 21, 2025

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Lyons 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 its total assets plus deferred outflows (what the District owns) by $10,292,163 (net position), an increase of $3,665,890 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of $11,369,804 a decrease of $1,237,737 in comparison with the prior year.

General revenues, which include Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, compensation for Loss, and Miscellaneous, accounted for $28,955,260, or 82% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions accounted for $6,526,965, or 18% of total revenues.

Overview of the Financial Statements

This 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 S*tatement 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 S*tatement 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; the General Fund, Special Aid Fund, School Lunch Fund, Miscellaneous Special Revenue Fund, Debt Service 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, the Capital Projects Fund, and the Special Aid Fund, which are reported as major funds. Data for the School Lunch Fund, the Miscellaneous Special Revenue Fund, and the Debt Service Fund, are aggregated into a single column and reported as nonmajor 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.

Major Feature of the District-Wide and Fund Financial Statements			
	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 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 of 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

	Governmental Activities		Total Variance
ASSETS:	**2025**	**2024**	
Current and Other Assets	$ 29,878,884	$ 29,955,513	$ (76,629)
Capital Assets	27,692,595	26,124,496	1,568,099
Total Assets	**$ 57,571,479**	**$ 56,080,009**	**$ 1,491,470**
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows of Resources	**$ 7,332,041**	**$ 9,861,412**	**$ (2,529,371)**
LIABILITIES:			
Long-Term Debt Obligations	$ 29,217,088	$ 50,227,891	$ (21,010,803)
Other Liabilities	16,874,764	16,954,432	(79,668)
Total Liabilities	**$ 46,091,852**	**$ 67,182,323**	**$ (21,090,471)**
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of Resources	**$ 29,103,831**	**$ 12,717,151**	**$ 16,386,680**
NET POSITION:			
Net Investment in Capital Assets	$ 20,605,595	$ 17,994,496	$ 2,611,099
Restricted For,			
Employment Retirement System	1,153,125	1,153,125	-
Capital Projects	3,473,252	5,575,379	(2,102,127)
Debt Service Reserve	1,854,121	1,406,908	447,213
Scholarships	765,361	757,842	7,519
Capital Reserve	741,282	639,921	101,361
Other Purposes	1,481,364	1,781,364	(300,000)
Unrestricted	(40,366,263)	(43,267,088)	2,900,825
Total Net Position	**$ (10,292,163)**	**$ (13,958,053)**	**$ 3,665,890**

Key Variances

- Long-Term Debt Obligations decreased $21,010,803 as a result of change in OPEB calculation.
- Deferred Inflows of Resources increased $16,386,680 as a result of changes in OPEB calculation.

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 six restricted net position balances: Employment Retirement System, Capital Projects, Debt Service Reserve, Scholarships, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of $40,366,263.

Changes in Net position

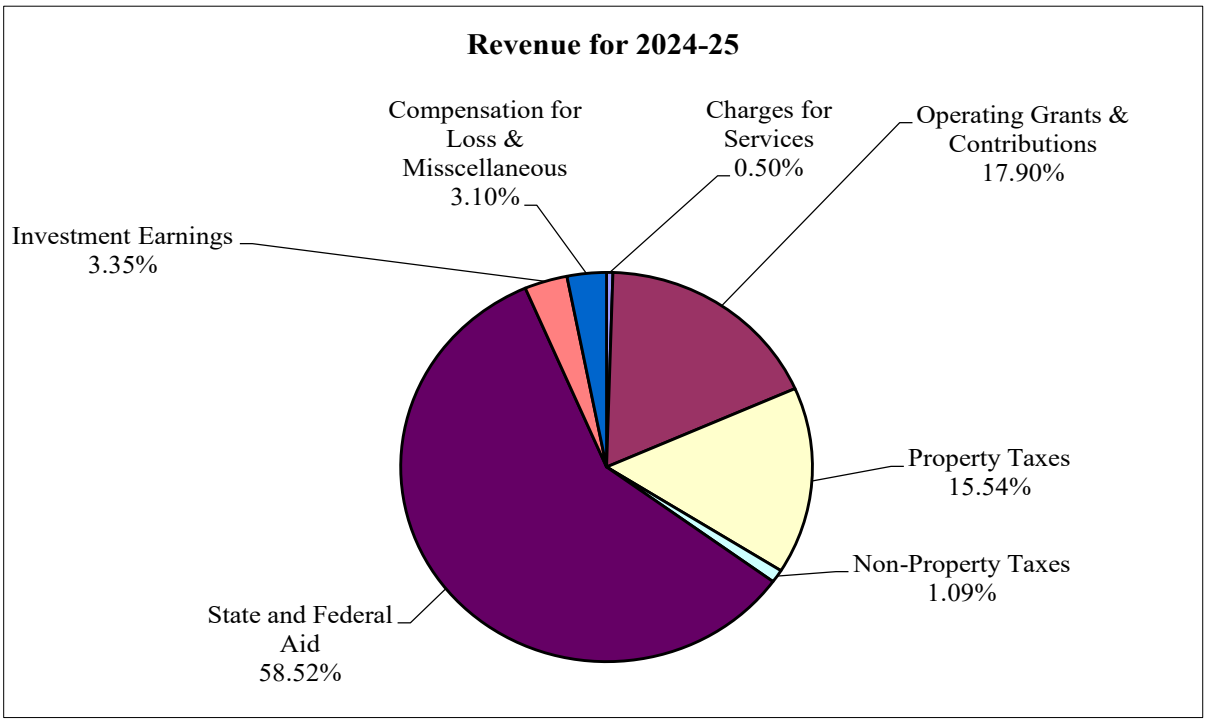
The District's total revenue increased 6% to $35,482,225. State and federal aid 59% and property taxes 16% accounted for most of the District's revenue. The remaining 25% of the revenue comes from operating grants, charges for services, non property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

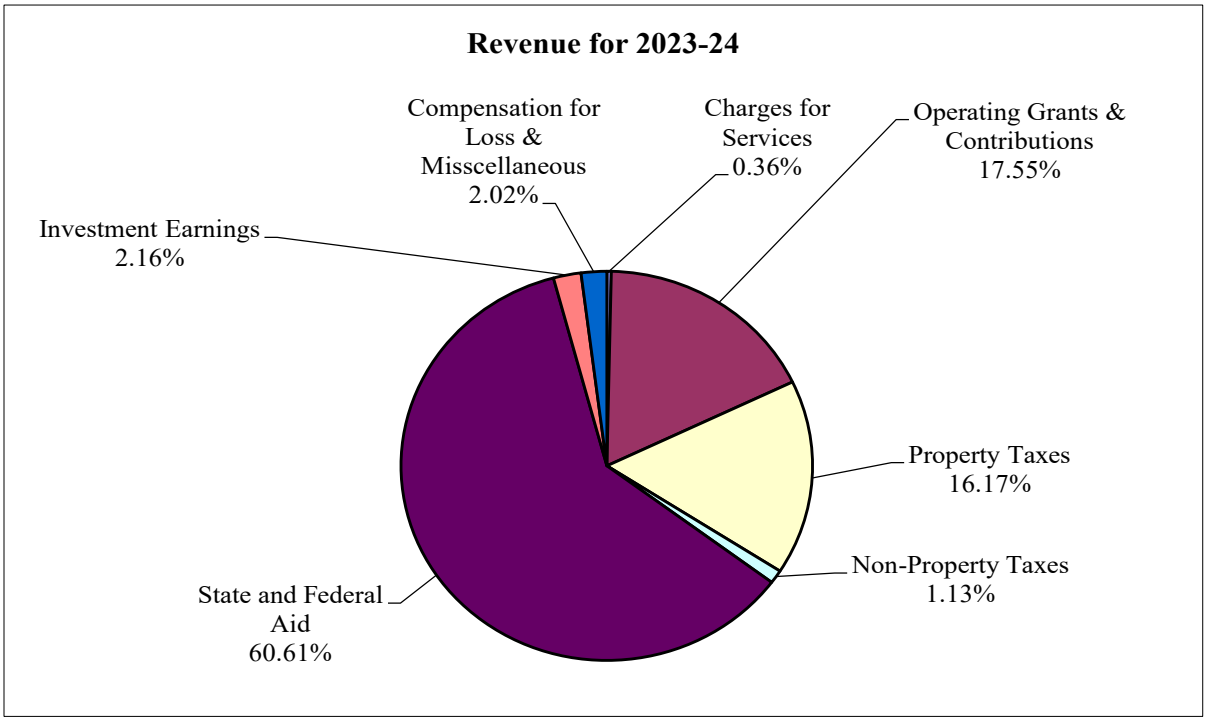
The total cost of all the programs and services decreased 5% to $31,816,335. The District's expenses are predominately related to education and caring for the students at 72%. General support which included expenses associated with the operation, maintenance and administration of the District, accounted for 15% of the total costs. The remaining 13% of expenses comes from pupil transportation, school lunch and interest on long-term debt. See table below:

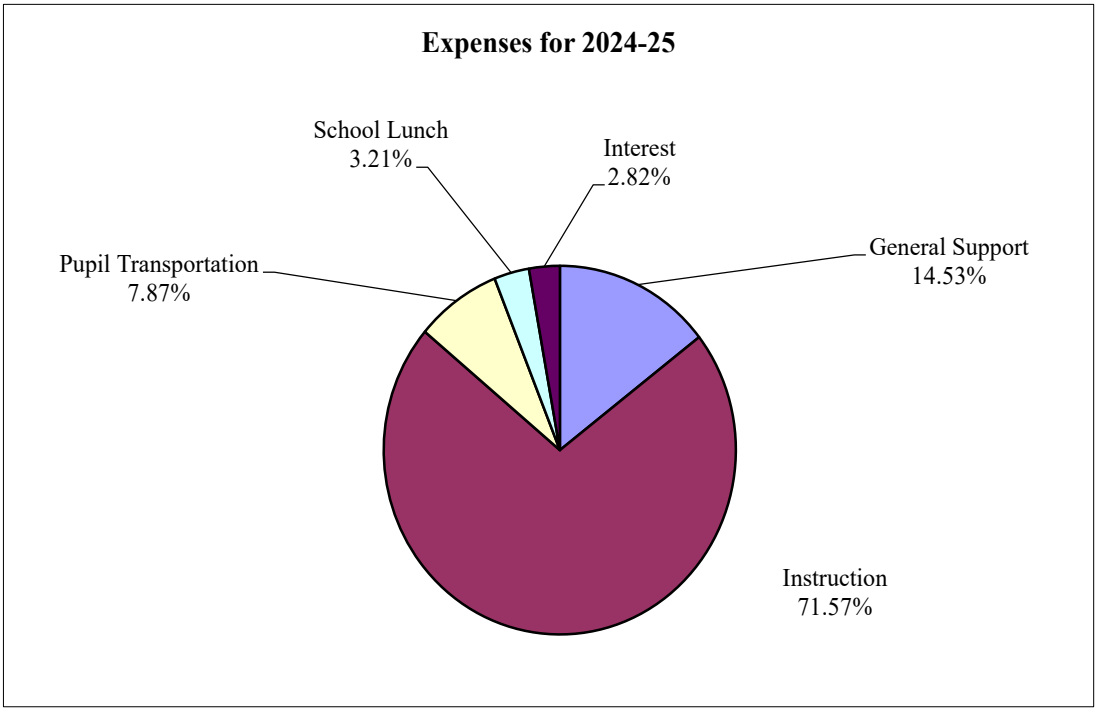
	Governmental Activities		Total Variance
	2025	2024	
REVENUES:			
Program -			
Charges for Service	$ 176,148	$ 121,995	$ 54,153
Operating Grants & Contributions	6,350,817	5,894,382	456,435
Total Program	$ 6,526,965	$ 6,016,377	$ 510,588
General -			
Property Taxes	$ 5,513,718	$ 5,430,157	$ 83,561
Non Property Taxes	385,201	377,816	7,385
State and Federal Aid	20,765,428	20,351,037	414,391
Investment Earnings	1,188,955	726,655	462,300
Compensation for Loss	11,085	7,946	3,139
Miscellaneous	1,090,873	667,638	423,235
Total General	$ 28,955,260	$ 27,561,249	$ 1,394,011
TOTAL REVENUES	**$ 35,482,225**	**$ 33,577,626**	**$ 1,904,599**
EXPENSES:			
General Support	$ 4,622,611	$ 4,716,002	$ (93,391)
Instruction	22,770,593	24,385,545	(1,614,952)
Pupil Transportation	2,504,855	2,734,252	(229,397)
School Lunch	1,022,250	1,116,903	(94,653)
Interest	896,026	429,356	466,670
TOTAL EXPENSES	**$ 31,816,335**	**$ 33,382,058**	**$ (1,565,723)**
CHANGE IN NET POSITION	**$ 3,665,890**	**$ 195,568**	
NET POSITION, BEGINNING OF YEAR	(13,958,053)	(14,153,621)	
NET POSITION, END OF YEAR	**$ (10,292,163)**	**$ (13,958,053)**	

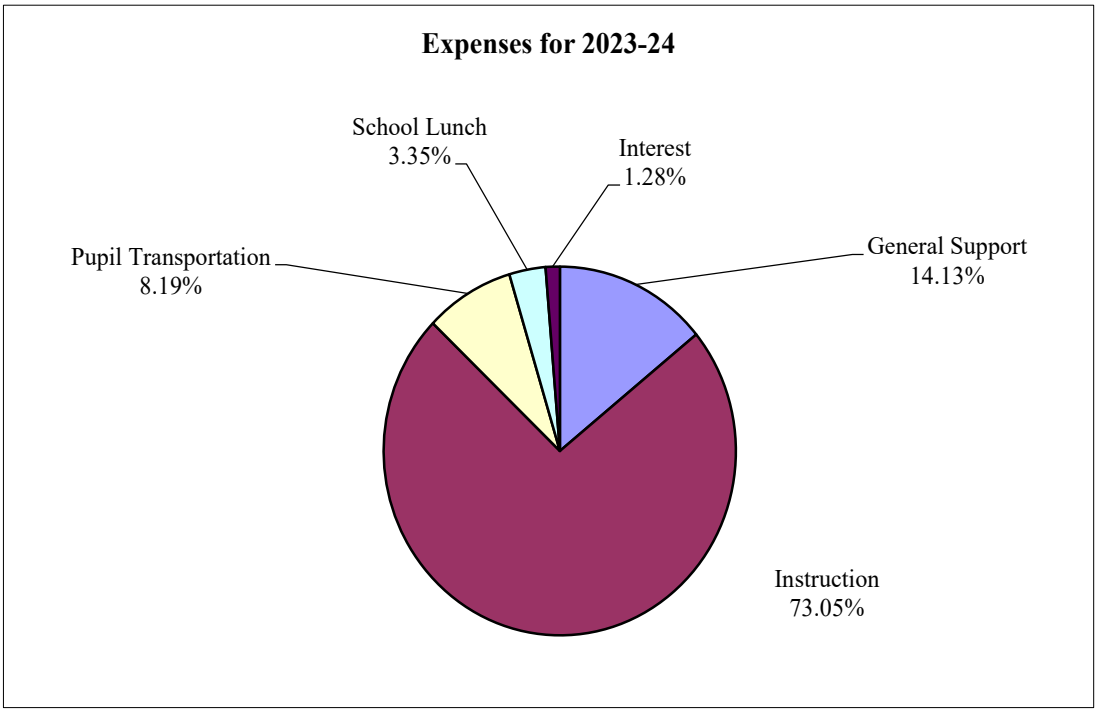
Key Variances

- Operating Grants & Contributions increased $456,435 as a result of obtaining additional grant funding.
- State and Federal Aid increased $414,391 as a result of formula aid changes.
- Investment Earnings increased $462,300 as a result of favorable rates and additional capital funds to invest.
- Miscellaneous revenue increased $423,235 as a result of increase in refund of prior year expenses.
- Instruction decreased $1,614,952 as a result of a combination of efficiencies realized and retirements.
- Interest increased $466,670 as a result of additional BAN funding for the capital project.


Revenue for 2024-25
Compensation for Loss & Misscellaneous 3.10%
Charges for Services 0.50%
Operating Grants & Contributions 17.90%
Investment Earnings 3.35%
Property Taxes 15.54%
Non-Property Taxes 1.09%
State and Federal Aid 58.52%


Revenue for 2023-24
Compensation for Loss & Misscellaneous 2.02%
Charges for Services 0.36%
Operating Grants & Contributions 17.55%
Investment Earnings 2.16%
Property Taxes 16.17%
Non-Property Taxes 1.13%
State and Federal Aid 60.61%


Expenses for 2024-25
School Lunch
3.21%
Interest
2.82%
Pupil Transportation
7.87%
General Support
14.53%
Instruction
71.57%


Expenses for 2023-24
School Lunch
3.35%
Interest
1.28%
Pupil Transportation
8.19%
General Support
14.13%
Instruction
73.05%

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 $11,369,804, which is less than last year's ending fund balance of $12,607,541.

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 $5,206,983. Fund balance for the General Fund increased by $424,398 compared with the prior year. See table below:

General Fund Balances:	2025	2024	Total Variance
Restricted	$ 3,375,771	$ 3,574,410	$ (198,639)
Assigned	513,620	427,435	86,185
Unassigned	1,317,592	780,740	536,852
Total General Fund Balances	**$ 5,206,983**	**$ 4,782,585**	**$ 424,398**

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was $532,435 which is attributable to $27,435 in carryover encumbrances from the 2023-24 school year, $205,000 for capital reserve-bus purchases, and $300,000 for insurance reserve.

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

Revenue Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Use of Money and Property	$600,000	Higher anticipated Interest received from investments
Miscellaneous	$800,000	Higher anticipated refund of prior years expenses
Federal Aid	($1,550,000)	Accounting for portion of reclassification to Medicaid
Expenditure Items:	**Budget Variance Original Vs. Amended**	**Explanation for Budget Variance**
General Support	$873,057	Higher anticipated legal and maintenance expenses than anticipated
Instructional	$310,778	Accounting for anticipated instructional costs
Employee Benefits	($1,238,996)	Lower than anticipated insurance premiums
Transfers-Out	$268,470	Accounting for the transfer to the capital fund for vehicles and transportation to special aid fund for transportation.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Use of Money and Property	$202,602	More interest than anticipated
State Sources	($1,633,261)	Less state revenue than projected
Expenditure Items:	**Budget Variance Amended Vs. Actual**	**Explanation for Budget Variance**
General Support	$326,570	Lower general support expenses than anticipated
Instructional	$1,265,290	Lower instructional costs than anticipated
Pupil Transportation	$685,144	Lower transportation costs than anticipated
Employee Benefits	$533,315	Lower benefit costs than anticipated

Capital Asset and Debt Administration

Capital Assets

By the end of the 2025 fiscal year, the District had invested $27,363,052 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	2025	2024
Capital Assets		
Land	$ 392,893	$ 296,784
Work in Progress	3,020,177	1,237,492
Buildings and Improvements	22,040,898	22,790,279
Machinery and Equipment	1,909,084	1,272,349
Total Capital Assets	**$ 27,363,052**	**$ 25,596,904**
Lease Assets		
Equipment	$ 329,543	$ 527,592
Total Lease Assets	**$ 329,543**	**$ 527,592**

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

Long-Term Debt

At year-end, the District had $29,217,088 in general obligation bonds and other long-term debt outstanding as follows:

Type	2025	2024
Serial Bonds Payable	$ 6,385,000	$ 7,350,000
Amortized Bond Premium	702,000	780,000
OPEB Liability	19,937,020	39,341,912
Net Pension Liability	1,741,397	1,988,096
Compensated Absences	451,671	767,883
Total Long-Term Obligations	**$ 29,217,088**	**$ 50,227,891**

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

Factors Bearing on the District's Future

The District is heavily dependent on state aid and many external factors beyond our control will have a direct impact on the amount of revenue we will receive in 2025-26 and beyond.

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:

Lyons Central School District
10 Clyde Road
Lyons, New York 14489
Attn: Mr. Michael Pangallo,
Assistant Superintendent for Business

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 24,743,831
Accounts receivable	3,743,391
Inventories	44,153
Net pension asset	1,347,509
Capital Assets:	
Land	392,893
Work in progress	3,020,177
Other capital assets (net of depreciation)	24,279,525
TOTAL ASSETS	**$ 57,571,479**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	**$ 7,332,041**
LIABILITIES	
Accounts payable	$ 412,767
Accrued liabilities	46,884
Unearned revenues	40,747
Due to teachers' retirement system	1,001,297
Due to employees' retirement system	145,800
Bond anticipation notes payable	14,876,000
Other liabilities	351,269
Long-Term Obligations:	
Due in one year	1,046,676
Due in more than one year	28,170,412
TOTAL LIABILITIES	**$ 46,091,852**
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	**$ 29,103,831**
NET POSITION	
Net investment in capital assets	$ 20,605,595
Restricted For:	
Capital projects	3,473,252
Debt service reserve	1,854,121
Reserve for employee retirement system	1,153,125
Scholarships	765,361
Capital reserves	741,282
Other purposes	1,481,364
Unrestricted	(40,366,263)
TOTAL NET POSITION	**$ (10,292,163)**

(See accompanying notes to financial statements)

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary Government -				
General support	$ 4,622,611	$ -	$ -	$ (4,622,611)
Instruction	22,770,593	127,911	5,418,428	(17,224,254)
Pupil transportation	2,504,855	-	-	(2,504,855)
School lunch	1,022,250	48,237	932,389	(41,624)
Interest	896,026	-	-	(896,026)
Total Primary Government	**$ 31,816,335**	**$ 176,148**	**$ 6,350,817**	**$ (25,289,370)**

General Revenues:	
Property taxes	$ 5,513,718
Non property taxes	385,201
State and federal aid	20,765,428
Investment earnings	1,188,955
Compensation for loss	11,085
Miscellaneous	1,090,873
Total General Revenues	**$ 28,955,260**
Changes in Net Position	$ 3,665,890
Net Position, Beginning of Year	(13,958,053)
Net Position, End of Year	**$ (10,292,163)**

(See accompanying notes to financial statements)

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2025

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 8,606,512	$ 1,626,780	$ 13,063,553	$ 1,446,986	$ 24,743,831
Receivables	1,376,122	1,986,310	14,577	61,382	3,438,391
Inventories	-	12,110	-	32,043	44,153
Due from other funds	3,536,202	568,742	6,449,296	1,855,871	12,410,111
TOTAL ASSETS	**$ 13,518,836**	**$ 4,193,942**	**$ 19,527,426**	**$ 3,396,282**	**$ 40,636,486**
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	$ 259,558	$ 97,753	$ 55,109	$ 347	$ 412,767
Accrued liabilities	28,533	158	-	-	28,691
Notes payable - bond anticipation notes	-	-	14,876,000	-	14,876,000
Due to other funds	6,525,396	4,028,308	1,123,065	733,342	12,410,111
Due to TRS	1,001,297	-	-	-	1,001,297
Due to ERS	145,800	-	-	-	145,800
Other liabilities	351,269	-	-	-	351,269
Unearned revenue	-	38,766	-	1,981	40,747
TOTAL LIABILITIES	**$ 8,311,853**	**$ 4,164,985**	**$ 16,054,174**	**$ 735,670**	**$ 29,266,682**
Fund Balances -					
Nonspendable	$ -	$ 12,110	$ -	$ 32,043	$ 44,153
Restricted	3,375,771	-	3,454,360	2,619,482	9,449,613
Assigned	513,620	16,847	18,892	9,087	558,446
Unassigned	1,317,592	-	-	-	1,317,592
TOTAL FUND BALANCE	**$ 5,206,983**	**$ 28,957**	**$ 3,473,252**	**$ 2,660,612**	**$ 11,369,804**
TOTAL LIABILITIES AND FUND BALANCES	**$ 13,518,836**	**$ 4,193,942**	**$ 19,527,426**	**$ 3,396,282**	

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,692,595
Interest is accrued on outstanding bonds in the Statement of Net Position but not in the funds.	(18,193)
Receivables related to Public Library debt are not available financial resources and therefore, not reported in the governmental funds	305,000
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	(6,385,000)
OPEB liability	(19,937,020)
Compensated absences	(451,671)
Unamortized bond premium	(702,000)
Net pension asset	1,347,509
Deferred outflow - pension	4,135,500
Deferred outflow - OPEB	3,196,541
Net pension liability	(1,741,397)
Deferred inflow - pension	(1,922,847)
Deferred inflow - OPEB	(27,180,984)
Net Position of Governmental Activities	**$ (10,292,163)**

(See accompanying notes to financial statements)

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For The Year Ended June 30, 2025

	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	$ 5,513,718	$ -	$ -	$ -	$ 5,513,718
Non-property taxes	385,201	-	-	-	385,201
Charges for services	127,911	-	-	-	127,911
Use of money and property	802,602	20	-	386,333	1,188,955
Sale of property and compensation for loss	11,085	-	-	-	11,085
Miscellaneous	714,003	224,385	1,000	154,549	1,093,937
State sources	20,568,739	2,346,209	-	107,246	23,022,194
Federal sources	196,689	3,034,421	-	825,143	4,056,253
Sales	-	-	-	48,237	48,237
TOTAL REVENUES	**$ 28,319,948**	**$ 5,605,035**	**$ 1,000**	**$ 1,521,508**	**$ 35,447,491**
EXPENDITURES					
General support	$ 4,009,434	$ 177,908	$ -	$ -	$ 4,187,342
Instruction	14,278,469	4,863,814	-	-	19,142,283
Pupil transportation	1,770,058	-	517,173	-	2,287,231
Employee benefits	5,638,082	620,143	-	170,425	6,428,650
Debt service - principal	1,089,000	-	-	-	1,089,000
Debt service - interest	974,306	-	-	-	974,306
Cost of sales	-	-	-	499,331	499,331
Other expenses	-	-	-	545,255	545,255
Capital outlay	-	-	1,782,685	-	1,782,685
TOTAL EXPENDITURES	**$ 27,759,349**	**$ 5,661,865**	**$ 2,299,858**	**$ 1,215,011**	**$ 36,936,083**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 560,599	$ (56,830)	$ (2,298,858)	$ 306,497	$ (1,488,592)
OTHER FINANCING SOURCES (USES)					
Transfers - in	$ 132,269	$ 63,470	$ 205,000	$ -	$ 400,739
Transfers - out	(268,470)	-	(132,269)	-	(400,739)
BAN's redeemed from appropriations	-	-	124,000	-	124,000
Premium on obligations issued	-	-	-	126,855	126,855
TOTAL OTHER FINANCING SOURCES (USES)	**$ (136,201)**	**$ 63,470**	**$ 196,731**	**$ 126,855**	**$ 250,855**
NET CHANGE IN FUND BALANCE	**$ 424,398**	**$ 6,640**	**$ (2,102,127)**	**$ 433,352**	**$ (1,237,737)**
FUND BALANCE, BEGINNING OF YEAR	4,782,585	22,317	5,575,379	2,227,260	12,607,541
FUND BALANCE, END OF YEAR	**$ 5,206,983**	**$ 28,957**	**$ 3,473,252**	**$ 2,660,612**	**$ 11,369,804**

(See accompanying notes to financial statements)

LYONS 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		$ (1,237,737)
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	$ 1,782,685	
Additions to Assets, Net	961,145	
Depreciation and Amortization	(1,175,731)	
		1,568,099
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	$ 1,089,000	
Proceeds from BAN Redemption	(124,000)	
Unamortized Bond Premium	78,000	
		1,043,000
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		280
Receivables related to Public Library debt are not available financial resources and therefore, are not reported in the governmental funds.		(92,121)
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.		1,910,625
(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		130,679
Employees' Retirement System		41,745
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		301,320
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ 3,665,890**

(See accompanying notes to financial statements)

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 47,158
TOTAL ASSETS	**$ 47,158**
NET POSITION	
Restricted for individuals, organizations and other governments	$ 47,158
TOTAL NET POSITION	**$ 47,158**

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2025

	Custodial Funds
ADDITIONS	
Student activity	$ 116,980
Library taxes	510,089
TOTAL ADDITIONS	**$ 627,069**
DEDUCTIONS	
Student activity	$ 116,633
Library taxes	510,089
TOTAL DEDUCTIONS	**$ 626,722**
CHANGE IN NET POSITION	$ 347
NET POSITION, BEGINNING OF YEAR	46,811
NET POSITION, END OF YEAR	**$ 47,158**

(See accompanying notes to financial statements)

I. Summary of Significant Accounting Policies

The financial statements of the Lyons 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 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 for various student organizations in the Custodial Fund.

B. Joint Venture

The District is a component of the Ontario-Seneca-Yates-Cayuga-Wayne Counties 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 $7,253,833 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $2,109,297.

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 nonexchange 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.

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.

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.

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

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

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.

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

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.

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. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The 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(ies) in which the District is located. The County(ies) pay an amount representing uncollected real property taxes transmitted to the County(ies) 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.

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 VII 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.

(I.) (Continued)

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

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 nonspendable 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:

Class	Capitalization Threshold	Depreciation Method	Estimated Useful Life
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 between 3 and 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 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.

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:

	Total
Workers' Compensation Reserve	$ 50,240
Unemployment Costs	372,884
Retirement Contribution - TRS	375,000
Insurance Reserve	104,885
Tax Certiorari Reserve	210,000
Employee Benefit Accrued Liability Reserve	368,355
Total Net Position - Restricted for Other Purposes	**$ 1,481,364**

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 $40,366,263 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:

	Total
Inventory in School Lunch	$ 32,043
Inventory in Special Aid	12,110
Total Nonspendable Fund Balance	**$ 44,153**

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:

Name of Reserve	Maximum Funding	Total Funding Provided	Total Year to Date Balance
2017 Building Capital Reserve	$ 5,000,000	$ 4,910,904	$ 305,663
2022 Bus Purchase Reserve	$ 4,000,000	$ 1,292,104	$ 435,619

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.

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.

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.

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.

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.

(I.) (Continued)

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:

		Total
General Fund -		
Workers' Compensation Reserve	$	50,240
Unemployment Costs		372,884
Retirement Contribution - ERS		1,153,125
Retirement Contribution - TRS		375,000
Insurance Reserve		104,885
Tax Certiorari Reserve		210,000
Capital Reserves		741,282
Employee Benefit Accrued Liability Reserve		368,355
Capital Projects Fund -		
Capital Projects		3,454,360
Debt Service Fund -		
Debt Service Reserve		1,854,121
Miscellaneous Special Revenue Fund -		
Scholarships		765,361
Total Restricted Fund Balance	**$**	**9,449,613**

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 $40,000, $10,300 in the Special Aid Fund, and $5,700 in the Capital Projects Fund. The District reports the following significant encumbrances:

General Fund -		
Pupil Transportation	$	70,390
Capital Projects Fund -		
Capital outlay	$	4,652,991
Special Aid Fund -		
Instructional	$	129,808

Assigned fund balances include the following:

		Total
General Fund - Encumbrances	$	113,620
General Fund - Appropriated for Taxes		400,000
Special Aid Fund - Community Programs		16,847
Capital Projects Fund		18,892
School Lunch Fund - Year End Equity		9,087
Total Assigned Fund Balance	**$**	**558,446**

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.

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.

(I.) (Continued)

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. 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. There was no financial statement impact for the implementation of the Statement.

III. 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.

(III.) (Continued)

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. The following supplemental appropriations occurred during the year: $27,435 for carryover encumbrances, $205,000 for capital reserve bus purchases, and $300,000 for insurance reserve.

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.

C. Deficit Net Position

The District-wide net position had a deficit at June 30, 2025 of $10,292,163. 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 $19,937,020 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.

IV. 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 Unites 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.

(IV.) (Continued)

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	25,182,034
Total	**$ 25,182,034**

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 $9,449,613 within the governmental funds and $47,158 in the fiduciary funds.

V. 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 $5,641,212, which consisted of $1,527,076 in repurchase agreements, $3,882,846 in U.S. Treasury Securities, $51,335 in FDIC insured deposits and $179,955 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

Fund	Bank Amount	Carrying Amount	Type of Invesment
General	$ 3,077,858	$ 3,077,858	NYCLASS
Special Aid	$ 1,500,168	$ 1,015,168	NYCLASS
Capital Projets	$ 65,685	$ 65,685	NYCLASS
Nonmajor Funds	$ 997,501	$ 997,501	NYCLASS

VI. Receivables

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

	Governmental Activities				
Description	General Fund	Special Aid Fund	Capital Projects Fund	Nonmajor Funds	Total
Accounts Receivable	$ 29,493	$ 29,564	$ -	$ -	$ 59,057
Due From State and Federal	387,744	1,956,746	14,577	61,382	2,420,449
Due From Other Governments	958,885	-	-	-	958,885
Total Accounts Receivables	$ 1,376,122	$ 1,986,310	$ 14,577	$ 61,382	$ 3,438,391
Library Debt Receivable	-	-	-	-	305,000
Total District-Wide Receivables	**$ 1,376,122**	**$ 1,986,310**	**$ 14,577**	**$ 61,382**	**$ 3,743,391**

VII. Interfund Receivables, Payables, Revenues and Expenditures

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

	Interfund			
	Receivables	Payables	Revenues	Expenditures
General Fund	$ 3,536,202	$ 6,525,396	$ 132,269	$ 268,470
Special Aid Fund	568,742	4,028,308	63,470	-
Capital Projects Fund	6,449,296	1,123,065	205,000	132,269
Nonmajor Funds	1,855,871	733,342	-	-
Total	**$ 12,410,111**	**$ 12,410,111**	**$ 400,739**	**$ 400,739**

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, school lunch programs and debt service expenditures.

VIII. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

Type	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Governmental Activities:				
Capital Assets that are not Depreciated -				
Land	$ 296,784	$ 96,109	$ -	$ 392,893
Work in progress	1,237,492	1,782,685	-	3,020,177
Total Nondepreciable	$ 1,534,276	$ 1,878,794	$ -	$ 3,413,070
Capital Assets that are Depreciated -				
Buildings and Improvements	$ 44,581,086	$ -	$ -	$ 44,581,086
Machinery and equipment	3,526,853	867,200	10,803	4,383,250
Total Depreciated Assets	$ 48,107,939	$ 867,200	$ 10,803	$ 48,964,336
Less Accumulated Depreciation -				
Buildings and Improvements	$ 21,790,807	$ 749,381		$ 22,540,188
Machinery and equipment	2,254,504	228,302	8,640	2,474,166
Total Accumulated Depreciation	$ 24,045,311	$ 977,683	$ 8,640	$ 25,014,354
Total Capital Assets Depreciated, Net of Accumulated Depreciation	$ 24,062,628	$ (110,483)	$ 2,163	$ 23,949,982
Total Capital Assets	**$ 25,596,904**	**$ 1,768,311**	**$ 2,163**	**$ 27,363,052**

B. Lease Assets

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

Type	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Lease Assets:				
Equipment	$ 1,258,345	$ -	$ 268,104	$ 990,241
Total Lease Assets	$ 1,258,345	$ -	$ 268,104	$ 990,241
Less Accumulated Amortization -				
Equipment	$ 730,753	$ 198,048	$ 268,103	$ 660,698
Total Accumulated Amortization	$ 730,753	$ 198,048	$ 268,103	$ 660,698
Total Lease Assets, Net	**$ 527,592**	**$ (198,048)**	**$ 1**	**$ 329,543**

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

Depreciated captial assets, net	$ 23,949,982
Amortized lease assets, net	329,543
Total Other Capital Assets, Net	**$ 24,279,525**

(VIII.) (Continued)

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

Governmental Activities:	Depreciation	Amortization	Total
General Government Support	$ 66,986	$ -	$ 66,986
Instruction	569,386	198,048	767,434
Pupil Transportation	280,693	-	280,693
School Lunch	60,618	-	60,618
Total Depreciation and Amortization Expense	**$ 977,683**	**$ 198,048**	**$ 1,175,731**

IX. Short-Term Debt

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

	Maturity	Interest Rate	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
BAN - Construction	6/27/2025	4.50%	$ 15,000,000	$ -	$ 15,000,000	$ -
BAN - Construction	6/26/2026	4.25%	-	14,876,000	-	14,876,000
Total Short-Term Debt			**$ 15,000,000**	**$ 14,876,000**	**$ 15,000,000**	**$ 14,876,000**

A summary of the short-term interest expense for the year is as follows:

Interest Paid	$ 675,000
Less: Interest Accrued in the Prior Year	(5,625)
Plus: Interest Accrued in the Current Year	7,025
Total Short-Term Interest Expense	**$ 676,400**

X. 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 Payable	$ 7,350,000	$ -	$ 965,000	$ 6,385,000	$ 940,000
Unamortized Bond Premium	780,000	-	78,000	702,000	78,000
Total Bonds and Notes Payable	$ 8,130,000	$ -	$ 1,043,000	$ 7,087,000	$ 1,018,000
Other Liabilities -					
Net Pension Liability	$ 1,988,096	$ -	$ 246,699	$ 1,741,397	$ -
OPEB liability	39,341,912	-	19,404,892	19,937,020	-
Compensated Absences *	767,883	-	316,212	451,671	28,676
Total Other Liabilities	$ 42,097,891	$ -	$ 19,967,803	$ 22,130,088	$ 28,676
Total Long-Term Obligations	**$ 50,227,891**	**$ -**	**$ 21,010,803**	**$ 29,217,088**	**$ 1,046,676**

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

(X.) (Continued)

Description	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 6/30/2025
Serial Bonds -					
Refunding	$ 3,845,000	2017	2028	0.75%-4.00%	$ 305,000
Construction	$ 8,245,000	2019	2034	3.00%-5.00%	5,360,000
Refunding	$ 1,565,000	2022	2029	2.00%-2.50%	720,000
Total Serial Bonds					**$ 6,385,000**
Unamortized Bond Premium					702,000
Total Serial Bonds, Net					**$ 7,087,000**

The following is a summary of debt service requirements:

	Serial Bonds	
Year	Principal	Interest
2026	$ 940,000	$ 261,981
2027	920,000	224,232
2028	885,000	186,125
2029	825,000	148,000
2030	715,000	110,250
2031-34	2,100,000	161,500
Total	**$ 6,385,000**	**$ 1,092,088**

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. $1,510,000 of bonds outstanding are considered defeased.

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

Interest Paid	$ 299,306
Less: Interest Accrued in the Prior Year	(12,848)
Less: Amortization of bond premium	(78,000)
Plus: Interest Accrued in the Current Year	11,168
Total Long-Term Interest Expense	**$ 219,626**

XI. Deferred Inflows/Outflows of Resources

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

	Deferred Outflows	Deferred Inflows
Pension	$ 4,135,500	$ 1,922,847
OPEB	3,196,541	27,180,984
Total	**$ 7,332,041**	**$ 29,103,831**

XII. Pension Plans

A. General Information

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

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.

(XII.) (Continued)

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:

Contributions	ERS	TRS
2025	$ 484,544	1,001,297

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.

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Net pension asset/(liability)	$ (1,741,397)	$ 1,347,509
District's portion of the Plan's total net pension asset/(liability)	0.0101565%	0.045164%

For the year ended June 30, 2025, the District recognized pension expenses of $447,536 for ERS and $750,923 for TRS. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(XII.) (Continued)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	**TRS**	**ERS**	**TRS**
Differences between expected and actual experience	$ 432,226	$ 1,451,020	$ 20,388	$ -
Changes of assumptions	73,031	806,084	-	135,591
Net difference between projected and actual earnings on pension plan investments	136,625	-	-	1,497,198
Changes in proportion and differences between the District's contributions and proportionate share of contributions	163,321	50,651	46,529	223,141
Subtotal	$ 805,203	$ 2,307,755	$ 66,917	$ 1,855,930
District's contributions subsequent to the measurement date	145,800	876,742	-	-
Grand Total	**$ 951,003**	**$ 3,184,497**	**$ 66,917**	**$ 1,855,930**

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:

Year	**ERS**	**TRS**
2025	$ -	$ (726,265)
2026	351,051	1,607,249
2027	480,374	(310,852)
2028	(112,394)	(340,561)
2029	19,255	161,120
Thereafter	-	61,134
Total	**$ 738,286**	**$ 451,825**

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:

(XII.) (Continued)

	ERS	TRS
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, 2016- 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:

Long Term Expected Rate of Return

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Asset Type -		
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 :

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	$ (5,039,822)	$ (1,741,397)	$ 1,012,790

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$ (6,224,224)	$ 1,347,509	$ 7,715,540

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:

	(In Thousands)	
	ERS	TRS
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)	$ (17,145,727)	$ 2,983,608
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 $145,800.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to $1,001,297.

XIII. 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 June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	167
Active Employees	183
Total	**350**

B. Total OPEB Liability

The District's total OPEB liability of $19,937,020 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

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

(XIII.) (Continued)

Inflation	2.40%
Salary Increases	2.40%, average, including inflation
Discount Rate	5.20%
Healthcare Cost Trend Rates	6.60% decreasing to an ultimate rate of 3.80% over 50 years
Retirees' Share of Benefit-Related Costs	Varies between 0% and 10% depending on contract

The discount rate was based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AAA/Aa or higher.

Mortality rates were based on Pub-2010 Headcount-Weighted Mortality Table generationally projected using the MP-2021 Ultimate Scale.

C. Changes in the Total OPEB Liability

Balance at June 30, 2024	$ 39,341,912
Changes for the Year -	
Service cost	$ 934,396
Interest	1,564,085
Effect of demographic gains or losses	(17,685,762)
Changes in assumptions or other inputs	(3,252,910)
Benefit payments	(964,701)
Net Changes	$ (19,404,892)
Balance at June 30, 2025	**$ 19,937,020**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.93% in 2024 to 5.20% in 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 (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 22,497,868	$ 19,937,020	$ 17,800,971

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

(XIII.) (Continued)

	1% Decrease (5.60% Decreasing to 2.80%)	Healthcare Cost Trend Rates (6.60% Decreasing to 3.80%)	1% Increase (7.60% Decreasing to 4.80%)
Total OPEB Liability	$ 17,330,724	$ 19,937,020	$ 23,190,321

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 $(945,924). 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	$ 131,309	$ 18,057,049
Changes of assumptions	3,065,232	9,123,935
Total	**$ 3,196,541**	**$ 27,180,984**

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

Year	
2025	$ (3,447,735)
2026	(4,187,865)
2027	(4,603,259)
2028	(3,358,138)
2029	(2,913,765)
Thereafter	(5,473,681)
Total	**$ (23,984,443)**

XIV. 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 two years.

(XIV.) (Continued)

B. Health Plan

For its employee health and dental insurance coverage the Lyons Central School District is a Participant in the Finger Lakes Area School Health Plan (FLASHP). FLASHP was formed under Article 5-G of the New York State Municipal Law. FLASHP is a non-risk-retained public entity risk pool for its employees' health and dental insurance coverage. The pool is operated for the benefit of municipal corporations (city, town, village, fire district, school district or board of cooperative educational services - BOCES) and community colleges located within the Finger Lakes Region in New York. Current membership includes thirty-seven (37) Participants.

FLASHP contracts with an insurance company to provide services for all of its members. FLASHP negotiates and approves annual contracts from the insurance company for the Participants' health and dental insurance coverage. The District is billed directly by and pays the monthly premiums to the insurance carrier for this coverage. The District has essentially transferred all related risks to the insurance carrier. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling $4,612,076.

C. Workers' Compensation

The District is a Participant in the Wayne-Finger Lakes School Workers' Compensation Plan (Plan). The Plan is sponsored by the Ontario-Seneca-Yates-Cayuga-Wayne Counties Board of Cooperative Educational Services (Wayne-Finger Lakes BOCES). The Plan's objectives are to furnish workers' compensation benefits 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 Wayne-Finger Lakes BOCES with the approval of the Board of Trustees. Such membership shall become effective on the first day of the calendar month following the adoption by the Board of Trustees of the resolution to accept a new Participant. Current membership of the Plan includes Participants from twenty-three (23) municipal corporations.

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

1. Effective only once annually on the last day of the Plan year.
2. Notice on intention to withdraw must be given in writing to the Chairperson of the Board of Trustees and Treasurer not less than one (1) year prior to the end of the Plan year. Failure to provide at least one (1) years' notice will result in continued membership in the plan for another year unless all other Participants consents to such withdrawal.
3. Participant is responsible for their pro-rata share of exit fees (claim liability fee, administrative fee, and insurance cost) or entitled to any pro-rata share of surplus at the end of the Plan year in which withdrawal occurs including actual expenses and recognition of any claims/expenses incurred at the time of withdrawal but not yet paid.

The Plan is administered by Wayne-Finger Lakes BOCES. The Plan Participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year. However, if the Board of Trustees determines that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board of Trustees 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 Chairperson of the Board of Trustees.

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 $134,596.

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

XV. Commitments and Contingencies

A. Litigation

There is no litigation pending against the District as of the balance sheet date.

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.

XVI. Related Parties

The District engaged in business with a company owned by an employee of the District as well as a company owned by a relative of a Board Member. During the 2024-25 fiscal year, a total of $62,604 and $37,024 were spent with these vendors respectively.

Required Supplementary Information

LYONS 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

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 934,396	$ 1,377,346	$ 1,330,203	$ 1,885,163	$ 1,671,757	$ 1,319,782	$ 1,474,385	$ 1,280,153
Interest	1,564,085	1,467,015	1,407,297	1,053,815	1,089,257	1,367,237	1,171,330	1,118,870
Changes in benefit terms	-	-	(4,161)	-	-	-	(1,936,863)	-
Effect of demographic gains or losses	(17,685,762)	-	(297,347)	-	(6,460,915)	-	943,919	146,544
Changes of assumptions or other inputs	(3,252,910)	(1,624,797)	(707,653)	(10,186,132)	4,105,311	8,236,311	(471,932)	-
Benefit payments	(964,701)	(1,372,715)	(1,303,094)	(1,164,955)	(1,072,905)	(1,027,287)	(987,536)	(994,626)
Net Change in Total OPEB Liability	**$ (19,404,892)**	**$ (153,151)**	**$ 425,245**	**$ (8,412,109)**	**$ (667,495)**	**$ 9,896,043**	**$ 193,303**	**$ 1,550,941**
Total OPEB Liability - Beginning	**$ 39,341,912**	**$ 39,495,063**	**$ 39,069,818**	**$ 47,481,927**	**$ 48,149,422**	**$ 38,253,379**	**$ 38,060,076**	**$ 36,509,135**
Total OPEB Liability - Ending	**$ 19,937,020**	**$ 39,341,912**	**$ 39,495,063**	**$ 39,069,818**	**$ 47,481,927**	**$ 48,149,422**	**$ 38,253,379**	**$ 38,060,076**
Covered Employee Payroll	$ 11,467,774	$ 8,416,468	$ 8,416,468	$ 8,046,103	$ 8,046,103	$ 7,529,924	$ 7,529,924	$ 7,413,987
Total OPEB Liability as a Percentage of Covered Employee Payroll	173.85%	467.44%	469.26%	485.57%	590.12%	639.44%	508.02%	513.36%

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

LYONS 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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (assets)	0.0102%	0.0101%	0.0084%	0.0084%	0.0077%	0.0073%	0.0074%	0.0075%	0.0074%	0.0076%
Proportionate share of the net pension liability (assets)	$ 1,741,397	$ 1,489,116	$ 1,799,272	$ (685,334)	$ 7,625	$ 1,939,051	$ 524,874	$ 241,053	$ 690,625	$ 1,217,363
Covered-employee payroll	$ 3,465,501	$ 3,139,466	$ 2,556,373	$ 2,585,977	$ 2,507,112	$ 2,288,580	$ 2,237,491	$ 2,229,996	$ 2,145,441	$ 1,985,738
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	50.250%	47.432%	70.384%	(26.502%)	0.304%	84.727%	23.458%	10.810%	32.190%	61.305%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	90.78%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

NYSTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (assets)	0.0452%	0.0436%	0.0430%	0.0392%	0.0418%	0.0409%	0.0415%	0.0468%	0.0380%	0.039397%
Proportionate share of the net pension liability (assets)	$ (1,347,509)	$ 498,980	$ 825,853	$ (6,784,290)	$ 1,154,765	$ (1,062,438)	$ (750,056)	$ (355,889)	$ 406,919	$ (4,092,088)
Covered-employee payroll	$ 8,672,028	$ 8,624,119	$ 8,058,630	$ 7,624,300	$ 6,644,981	$ 7,205,666	$ 6,825,933	$ 6,756,521	$ 7,419,643	$ 5,931,676
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	(15.539%)	5.786%	10.248%	(88.982%)	17.378%	(14.744%)	(10.988%)	(5.267%)	5.484%	(68.987%)
Plan fiduciary net position as a percentage of the total pension liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

Required Supplementary Information

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of District Contributions

For The Year Ended June 30, 2025

NYSERS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 484,544	$ 378,343	$ 278,112	$ 405,640	$ 350,921	$ 316,585	$ 316,369	$ 329,470	$ 329,201	$ 370,550
Contributions in relation to the contractually required contribution	(484,544)	(378,343)	(278,112)	(405,640)	(350,921)	(316,585)	(316,369)	(329,470)	(329,201)	(370,550)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 3,465,501	$ 3,139,466	$ 2,556,373	$ 2,585,977	$ 2,507,112	$ 2,288,580	$ 2,237,491	$ 2,229,996	$ 2,145,441	$ 1,985,738
Contributions as a percentage of covered-employee payroll	13.98%	12.05%	10.88%	15.69%	14.00%	13.83%	14.14%	14.77%	15.34%	18.66%

NYSTRS Pension Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 1,001,297	$ 958,225	$ 907,462	$ 818,556	$ 687,627	$ 693,759	$ 771,332	$ 714,532	$ 913,028	$ 817,792
Contributions in relation to the contractually required contribution	(1,001,297)	(958,225)	(907,462)	(818,556)	(687,627)	(693,759)	(771,332)	(714,532)	(913,028)	(817,792)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 8,672,028	$ 8,624,119	$ 8,058,630	$ 7,624,300	$ 6,644,981	$ 7,205,666	$ 6,825,933	$ 6,756,521	$ 7,419,643	$ 5,931,676
Contributions as a percentage of covered-employee payroll	11.55%	11.11%	11.26%	10.74%	10.35%	9.63%	11.30%	10.58%	12.31%	13.79%

Required Supplementary Information

LYONS 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

	Original Budget	Amended Budget	Current Year's Revenues	Over (Under) Revised Budget
REVENUES				
Local Sources -				
Real property taxes	$ 4,806,104	$ 4,806,104	$ 4,793,197	$ (12,907)
Real property tax items	707,145	707,145	720,521	13,376
Non-property taxes	425,000	425,000	385,201	(39,799)
Charges for services	-	150,000	127,911	(22,089)
Use of money and property	-	600,000	802,602	202,602
Sale of property and compensation for loss	-	-	11,085	11,085
Miscellaneous	-	800,000	714,003	(85,997)
State Sources -				
Basic formula	22,202,000	22,202,000	15,600,974	(6,601,026)
Lottery aid	-	-	2,729,220	2,729,220
BOCES	-	-	2,109,297	2,109,297
Textbooks	-	-	50,794	50,794
All Other Aid -				
Computer software	-	-	30,223	30,223
Library loan	-	-	5,406	5,406
Handicapped students	-	-	42,825	42,825
Federal Sources	1,904,075	354,075	196,689	(157,386)
TOTAL REVENUES	$ 30,044,324	$ 30,044,324	$ 28,319,948	$ (1,724,376)
Other Sources -				
Transfer - in	$ -	$ -	$ 132,269	$ 132,269
TOTAL REVENUES AND OTHER SOURCES	$ 30,044,324	$ 30,044,324	$ 28,452,217	$ (1,592,107)
Appropriated reserves	$ -	$ 505,000		
Appropriated fund balance	$ 400,000	$ 400,000		
Prior year encumbrances	$ 27,435	$ 27,435		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	**$ 30,471,759**	**$ 30,976,759**		

Required Supplementary Information

LYONS 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

	Original Budget	Amended Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
EXPENDITURES					
General Support -					
Board of education	$ 56,484	$ 56,574	$ 44,828	$ -	$ 11,746
Central administration	284,549	311,734	298,938	250	12,546
Finance	387,382	445,090	432,541	-	12,549
Staff	295,795	267,106	210,970	-	56,136
Central services	2,184,301	2,702,124	2,516,800	26,314	159,010
Special items	281,000	579,940	505,357	-	74,583
Instructional -					
Instruction, administration and improvement	904,871	1,382,362	1,344,490	420	37,452
Teaching - regular school	6,153,896	6,283,029	5,469,605	466	812,958
Programs for children with handicapping conditions	4,920,649	4,360,014	4,274,494	-	85,520
Occupational education	722,819	831,313	826,449	-	4,864
Teaching - special schools	525,000	493,263	450,320	-	42,943
Instructional media	1,147,902	1,300,710	1,201,166	15,780	83,764
Pupil services	874,510	909,734	711,945	-	197,789
Pupil Transportation	2,357,901	2,525,592	1,770,058	70,390	685,144
Employee Benefits	7,410,393	6,171,397	5,638,082	-	533,315
Debt service - principal	965,000	1,089,000	1,089,000	-	-
Debt service - interest	999,307	999,307	974,306	-	25,001
TOTAL EXPENDITURES	$ 30,471,759	$ 30,708,289	$ 27,759,349	$ 113,620	$ 2,835,320
Other Uses -					
Transfers - out	$ -	$ 268,470	$ 268,470	$ -	$ -
TOTAL EXPENDITURES AND OTHER USES	$ 30,471,759	$ 30,976,759	$ 28,027,819	$ 113,620	$ 2,835,320
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**$ 424,398**		
FUND BALANCE, BEGINNING OF YEAR	4,782,585	4,782,585	4,782,585		
FUND BALANCE, END OF YEAR	**$ 4,782,585**	**$ 4,782,585**	**$ 5,206,983**		

Note to Required Supplementary Information:

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

Supplementary Information

LYONS 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		$ 30,444,324
Prior year's encumbrances		27,435
Original Budget		$ 30,471,759
Budget revisions -		
Capital reserve - bus purchases		205,000
Insurance reserve		300,000
FINAL BUDGET		**$ 30,976,759**

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2025-26 voter approved expenditure budget		$ 32,939,812
Unrestricted fund balance:		
Assigned fund balance	$ 513,620	
Unassigned fund balance	1,317,592	
Total Unrestricted fund balance	$ 1,831,212	
Less adjustments:		
Appropriated fund balance	$ 400,000	
Encumbrances included in assigned fund balance	113,620	
Total adjustments	$ 513,620	
General fund fund balance subject to Section 1318 of Real Property Tax Law		1,317,592
ACTUAL PERCENTAGE		**4.00%**

Supplementary Information

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

CAPITAL PROJECTS FUND

Schedule of Project Expenditures

For The Year Ended June 30, 2025

			Expenditures				Methods of Financing			
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Local Sources	State Sources	Total	Fund Balance
2022-23 Capital Outlay	$ 100,000	$ 100,000	$ 44,737	$ 55,263	$ 100,000	$ -	$ 100,000	$ -	$ 100,000	$ -
2023-24 Capital Outlay	100,000	100,000	4,800	76,308	81,108	18,892	100,000	-	100,000	18,892
2023 Capital Project	55,000,000	55,000,000	1,187,955	1,782,685	2,970,640	52,029,360	6,425,000	-	6,425,000	3,454,360
2024-25 Buses	205,000	205,000	-	205,000	205,000	-	205,000	-	205,000	-
2023-24 Buses	396,755	396,755	60,163	312,871	373,034	23,721	373,034	-	373,034	-
Smart Schools	522,090	522,090	233,955	-	233,955	288,135		233,955	233,955	-
TOTAL	**$ 56,323,845**	**$ 56,323,845**	**$ 1,531,610**	**$ 2,432,127**	**$ 3,963,737**	**$ 52,360,108**	**$ 7,203,034**	**$ 233,955**	**$ 7,436,989**	**$ 3,473,252**

Supplementary Information

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds			
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 681,625	$ 765,361	$ -	$ 1,446,986
Receivables	61,382	-	-	61,382
Inventories	32,043	-	-	32,043
Due from other funds	1,750	-	1,854,121	1,855,871
TOTAL ASSETS	**$ 776,800**	**$ 765,361**	**$ 1,854,121**	**$ 3,396,282**
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	$ 347	$ -	$ -	$ 347
Due to other funds	733,342	-	-	733,342
Unearned revenue	1,981	-	-	1,981
TOTAL LIABILITIES	**$ 735,670**	**$ -**	**$ -**	**$ 735,670**
Fund Balances -				
Nonspendable	$ 32,043	$ -	$ -	$ 32,043
Restricted	-	765,361	1,854,121	2,619,482
Assigned	9,087	-	-	9,087
TOTAL FUND BALANCE	**$ 41,130**	**$ 765,361**	**$ 1,854,121**	**$ 2,660,612**
TOTAL LIABILITIES AND FUND BALANCES	**$ 776,800**	**$ 765,361**	**$ 1,854,121**	**$ 3,396,282**

Supplementary Information

LYONS 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			Total
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Nonmajor Governmental Funds
REVENUES				
Use of money and property	$ 29,927	$ 36,048	$ 320,358	$ 386,333
Miscellaneous	26,794	127,755	-	154,549
State sources	107,246	-	-	107,246
Federal sources	825,143	-	-	825,143
Sales	48,237	-	-	48,237
TOTAL REVENUES	**$ 1,037,347**	**$ 163,803**	**$ 320,358**	**$ 1,521,508**
EXPENDITURES				
Employee benefits	$ 170,425	$ -	$ -	$ 170,425
Cost of sales	499,331	-	-	499,331
Other expenses	388,971	156,284	-	545,255
TOTAL EXPENDITURES	**$ 1,058,727**	**$ 156,284**	**$ -**	**$ 1,215,011**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (21,380)	$ 7,519	$ 320,358	$ 306,497
OTHER FINANCING SOURCES (USES)				
Premium on obligations issued	$ -	$ -	$ 126,855	$ 126,855
TOTAL OTHER FINANCING SOURCES (USES)	**$ -**	**$ -**	**$ 126,855**	**$ 126,855**
NET CHANGE IN FUND BALANCE	**$ (21,380)**	**$ 7,519**	**$ 447,213**	**$ 433,352**
FUND BALANCE, BEGINNING OF YEAR	62,510	757,842	1,406,908	2,227,260
FUND BALANCE, END OF YEAR	**$ 41,130**	**$ 765,361**	**$ 1,854,121**	**$ 2,660,612**

Supplementary Information

LYONS 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		$ 27,692,595
Deduct:		
Serial bond payable	$ 6,385,000	
Unamortized bond premium	702,000	
		7,087,000
Net Investment in Capital Assets/Right to Use Assets		**$ 20,605,595**

Supplementary Information

LYONS CENTRAL SCHOOL DISTRICT, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended June 30, 2025

Grantor / Pass - Through Agency Federal Award Cluster / Program	Assistance Listing Number	Pass-Through Agency Number	Total Expenditures
U.S. Department of Justice:			
Passed Through Family Counseling Services of the Finger Lakes -			
STOP School Violence	16.839	15PBJA-23-GG-04337-STOP	$ 263,736
STOP School Violence	16.839	15PBJA-24-GG-04337-STOP	165,668
Total U.S. Department of Justice			**$ 429,404**
U.S. Department of Education:			
Generating Resilience and Opportunities with the Mental Health Workforce for Diversity and Sustainability (GROWTH) Project	84.184X	S184X240023	$ 385,081
Passed Through NYS Education Department -			
Special Education Cluster IDEA -			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-25-1033	$ 328,105
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-25-1033	22,802
Total Special Education Cluster IDEA			$ 350,907
Education Stabilization Funds -			
ARP - SLR Learning Loss-COVID-19	84.425U	5884-21-3555	$ 11,563
Total Education Stabilization Funds			$ 11,563
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-24-3555	25,069
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-25-3555	16,529
21st Century	84.287	0187-24-8018	21,462
21st Century	84.287	0187-25-8018	524,749
Title IV - Student Support and Enrichment Program	84.424	0204-25-3555	28,196
Stronger Connections Grant	84.424	0248-25-1022	395,643
Title V - Rural & Low Income Schools	84.358	0006-25-3555	29,651
Title I - School Improvement	84.010	0011-25-8090	553
Title I - School Improvement	84.010	0011-24-2090	45
Title I - School Improvement	84.010	0011-25-2090	50,000
Title I - Grants to Local Educational Agencies	84.010	0021-24-3555	5,878
Title I - Grants to Local Educational Agencies	84.010	0021-25-3555	534,211
Passed Through Sodus CSD -			
Full-Service Community Schools Program 24-25	84.215	N/A	71,513
Full-Service Community Schools Program 23-24	84.215	N/A	57,541
Passed Through North Rose-Wolcott CSD -			
Homeless Children 24-25	84.196	N/A	20,027
Homeless Children 23-24	84.196	N/A	7,517
Total U.S. Department of Education			**$ 2,536,135**

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

Grantor / Pass - Through Agency Federal Award Cluster / Program	Assistance Listing Number	Pass-Through Agency Number		Total Expenditures
U.S. Department of Health and Human Services:				
Passed Through Newark CSD -				
Mental Health Awareness Training 23/24	93.243	N/A	$	11,325
Mental Health Awareness Training 24/25	93.243	N/A		9,707
Total U.S. Department of Health and Human Services			**$**	**21,032**
U.S. Department of Agriculture:				
Passed Through NYS Department of Health Division of Nutrition -				
Child and Adult Care Food Program	10.558	N/A	$	106,857
Passed Through NYS Education Department -				
Child Nutrition Cluster -				
National School Lunch Program	10.555	650501040000	$	411,148
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	650501040000		52,856
National Summer Food Service program	10.559	650501040000		32,601
National School Breakfast Program	10.553	650501040000		189,701
Total Child Nutrition Cluster			$	686,306
Fresh Fruit and Vegetable Program	10.582	650501040000		31,980
Healthy Meals Incentives	10.579	N/A		47,850
Total U.S. Department of Agriculture			**$**	**872,993**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$**	**3,859,564**

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
Lyons 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 Lyons Central School District, New York (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2025.

Report of 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.

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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, Barr & Co. LLP

Rochester, New York
October 21, 2025

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