

PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE

BOND ANTICIPATION NOTES

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

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

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT CATTARAUGUS COUNTY, NEW YORK

GENERAL OBLIGATIONS
CUSIP BASE #: 14946N

\$3,000,000 Bond Anticipation Notes, 2025A (the "Notes")

Dated: September 29, 2025

Due: September 29, 2026

The Notes are general obligations of the Cattaraugus-Little Valley Central School District, Cattaraugus County, New York (the "District" or the "School District"), and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. All the taxable real property within the District will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York.

The Notes are not subject to redemption prior to maturity.

The Notes will be issued as registered notes and at the option of the purchaser(s), may be registered in the name of the purchaser(s) or may be registered to the Depository Trust Company ("DTC"). If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser(s) in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co. as nominee of DTC which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Hodgson Russ LLP of Buffalo, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as may be agreed upon, on or about September 29, 2025.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on September 18, 2025 until 10:45 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

September 10, 2025

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 SUCH RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE NOTES. UNLESS THE NOTES ARE PURCHASED FOR THE SUCCESSFUL BIDDER'S OWN ACCOUNT, AS PRINCIPAL FOR INVESTMENT AND NOT FOR RESALE, THE DISTRICT WILL ENTER INTO AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS REQUIRED BY THE RULE. SEE "APPENDIX C – DISCLOSURE UNDERTAKING" HEREIN.

**CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK**

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION



BENJAMIN STOLL
President

STACEY AGUIAR
Vice President

KELLI CULLEN
CEDRIC MANGANIELLO
KATIE HILL
KATIE SNYDER
KATELYN WALLEY-STOLL

* * * * *

DAVID FOSTER
Superintendent of Schools

SALLY J. HADLEY
Business Executive

PAULA E. JONES
School District Clerk



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



Bond Counsel

No person has been authorized by the School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District.

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PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK

Relating to
\$3,000,000 Bond Anticipation Notes, 2025A

This Official Statement, which includes the cover page, has been prepared by the Cattaraugus-Little Valley Central School District, Cattaraugus County, New York (the "School District" or "District", "County" and "State", respectively) in connection with the sale by the District of \$3,000,000 principal amount of Bond Anticipation Notes, 2025A (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.

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

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 will be subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. (See "TAX LEVY LIMITATION LAW" herein.)

The Notes are dated September 29, 2025 and mature, without option of prior redemption, on September 29, 2026. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form either (i) in the name of the purchaser(s), in which case principal of and interest on the Notes will be payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein. One fully-registered note certificate will be issued for all Notes of a particular issue bearing the same rate of interest and CUSIP number. Purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (Federal Funds) by the District directly to the registered owner or to DTC for its nominee, Cede & Co.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

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Purpose of Issue

The Notes are being issued in accordance with the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the District on March 25, 2025 authorizing the issuance of \$3,000,000 in serial bonds to finance the cost of a legal settlement to resolve a certain lawsuit that has been brought against the District.

The proceeds of the Notes in the amount of \$3,000,000 will be used to redeem and renew, in full, an outstanding bond anticipation note of the District that was issued on April 30, 2025 for this purpose.

BOOK-ENTRY-ONLY SYSTEM

DTC 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, a limited-purpose trust company organized under the New York Banking Law, is 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 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 OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

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

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

Certificated Notes

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

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

THE SCHOOL DISTRICT

General Information

The District is located in the southwest sector of New York State, with a land area of 183 square miles, approximately 50 miles south of the City of Buffalo and 20 miles north of the City of Jamestown. The District is comprised of portions of the Towns of Dayton, East Otto, Leon, Little Valley, Mansfield, Napoli, New Albion, Otto, and Persia in Cattaraugus County.

Major highways serving the District or within close proximity include US Routes #62 and #39, State Route 17 and Interstate Route #90 (The New York State Thruway). Amtrak provides railway transportation with a station located in Depew. The Buffalo Niagara International Airport affords District residents air transportation.

The District is rural in character with several residential sections of predominantly single-family homes. Various retail and commercial centers in and around the City of Buffalo and the City of Jamestown accommodate residents with their shopping requirements and employment opportunities.

Police protection is furnished by State, County and Village agencies and fire protection is provided by local volunteer units.

Source: District officials.

Population

The current estimated population of the District is 6,471. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Data.)

Selected Wealth and Income Indicators

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns of:						
Dayton	\$ 18,866	\$ 27,296	\$ 29,312	\$ 54,103	\$ 76,875	\$ 78,750
East Otto	19,291	31,381	33,652	50,673	73,250	94,688
Leon	13,400	20,851	18,388	45,458	54,063	72,813
Little Valley	22,294	22,583	29,628	47,986	51,750	66,875
Mansfield	29,641	29,202	37,207	64,429	82,708	95,000
Napoli	16,553	26,018	25,085	48,750	78,828	101,563
New Albion	20,787	25,750	29,642	49,375	59,375	72,206
Otto	19,008	33,797	38,117	58,125	71,406	69,000
Persia	22,646	27,925	29,340	51,458	58,611	60,673
County of:						
Cattaraugus	20,824	26,797	31,173	51,227	62,587	75,127
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020, and 2019-2023 American Community Survey 5-Year estimates data.

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

		<u>Annual Averages</u>						
		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cattaraugus County		5.3%	4.8%	9.1%	5.4%	4.1%	4.3%	4.1%
New York State		4.1%	3.9%	9.8%	7.1%	4.3%	4.1%	4.3%

		<u>2025 Monthly Figures</u>								
		<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Cattaraugus County		5.1%	5.3%	4.6%	3.5%	3.2%	3.5%	4.2%	N/A	N/A
New York State		4.6%	4.3%	4.1%	3.7%	3.5%	3.8%	4.6%	N/A	N/A

Note: Unemployment rates for the months of August and September of 2025 are unavailable as of the date of this Official Statement.

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

Major Employers

<u>Name</u>	<u>Type</u>	<u>Employees</u>
Salamanca City Central School District	School District	296
Cattaraugus–Little Valley Central School District	School District	217
Seneca Allegany Casino	Casino	100+
Holiday Valley Ski Resort	Skiing/Golfing Resort	100+
Ellicottville Central School District	School District	100
John Sixt & Son	Lumber Company	40
Cattaraugus County Bank	Bank	40
Salamanca Area Beverage	Soda & Beer Distributor	30

Note: Includes larger employers located within, and within close proximity to, the District.

Source: District officials.

Form of School Government

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

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

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

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

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

Recent Budget Vote Results

The budget for the 2024-2025 fiscal year was approved by the qualified voters on May 21, 2024 by a vote of 150 to 72. The District’s budget for the 2024-2025 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.00%, which was below the District’s tax levy limit of 2.09%.

The budget for the 2025-2026 fiscal year was approved by the qualified voters on May 20, 2025 by a vote of 156 to 49. The District’s budget for the 2025-2026 fiscal year remains within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget calls for a total tax levy increase of 2.00%, which is below the District’s tax levy limit of 2.05%.

Investment Policy

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

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

State Aid

The District receives financial assistance from the State in 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 the budget for the 2025-26 fiscal year, approximately 80.87% 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. See also “*School district fiscal year (2024-25)*” herein regarding authorization of a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula. Any revisions to the foundation aid formula could result in less State aid to the District.

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 “MARKET AND RISK FACTORS” herein.)

State aid, including building aid appropriated and apportioned to the 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 and 2021 to 2023 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017 and the State’s 2023-24 Budget which was not adopted until May 3, 2023. 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.

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 2025-26 preliminary building aid ratios, the District expects to receive State building aid of approximately 90.7% 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 (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding.

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

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provided \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programmed \$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 State's 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional \$20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional \$150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The budget for the State's 2025-26 fiscal year was passed by New York State on May 8, 2025. The enacted budget includes a \$37.6 billion increase in total school aid. The enacted budget's foundation aid increase is nearly identical to the Executive Budget's; however, due to an adjustment in the aid calculation formula (as the formula and its ensuing calculations pertain to districts with large amounts of English language learners) some districts will see a slight increase or decrease in their final Foundation Aid amount.

Foundation aid is New York State's main education operating aid formula. It is focused on allocating New York State funds equitably to all school districts, especially high-need districts, based on student need, community wealth, and regional cost differences. As stated above, the Executive Budget provides a 5.9% increase (amounting to a \$1.4 billion total increase since last year) in Foundation Aid for the 2025 school year. Foundation aid is intended mainly to support districts' instructional costs. It is the largest aid type within the school aid budget categories. Building aid is considered an expense-based type of aid. The Executive Budget allocates \$3.3 billion in building aid for the 2025 school year.

State Aid Litigation

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

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

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights v. State of New York* ("NYSER") and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the *New Yorkers for Students'*

Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. 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 historic *Campaign for Fiscal Equity* 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, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

A breakdown of currently anticipated Foundation Aid funding is available below

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

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

State Aid Revenues

The following table illustrates the percentage of total general fund revenues of the District for the below fiscal years that is or was comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> ⁽¹⁾	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2019-2020	\$ 24,801,360	\$ 19,248,354	77.61%
2020-2021	24,514,052	18,716,335	76.35
2021-2022	25,322,719	19,848,437	78.38
2022-2023	26,513,547	20,660,521	77.92
2023-2024	26,921,065	21,056,018	78.21
2024-2025 (Budgeted)	29,142,707	23,216,339	79.66
2024-2025 (Unaudited)	31,983,713	23,094,837	72.21
2025-2026 (Budgeted)	31,531,281	25,499,864	80.87

⁽¹⁾ Do not include appropriated fund balance or interfund transfers.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, the adopted budget and unaudited figures for the 2024-2025 fiscal year, and adopted budget figures for the 2025-2026 fiscal year. This table is not audited. The unaudited projections for the 2024-2025 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Cattaraugus Elementary Campus	Pre-K-4	350	1992
Little Valley Campus ⁽¹⁾	No Students	--	1923, '66, '86
Middle/High Campus	5-12	526	1954, '92, '10, '11
Transportation Facility	No Students	--	2009

⁽¹⁾ Facility has no students. A portion is leased to the County, and the remaining space is used for storage.

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	876	2026-27	874
2022-23	897	2027-28	874
2023-24	888	2028-29	874
2024-25	860	2029-30	874
2025-26	874	2030-31	874

Source: District officials.

Employees

The District employs a total of 179 full-time and 25 part-time employees with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
110	Cattaraugus-Little Valley Teachers' Association	June 30, 2027
70	Cattaraugus-Little Valley Classified Employees' Association	June 30, 2025 ⁽¹⁾
22	Cattaraugus-Little Valley Bus Drivers' Unit	June 30, 2026

⁽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 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 working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

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

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 382,111	\$ 633,937
2021-2022	447,877	692,791
2022-2023	313,502	762,752
2023-2024	402,655	834,005
2024-2025	471,672	820,965
2025-2026 (Budgeted)	551,494	817,676

Source: District officials.

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 for its employees.

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

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

<u>State Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59

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 the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years

of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

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

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

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

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.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow 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 will be 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 such a fund.

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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Nyhart, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the below fiscal years.

	Balance beginning at:	June 30, 2022	June 30, 2023
		\$ 1,666,174	\$ 1,694,635
<u>Changes for the year:</u>			
Service cost		125,482	88,344
Interest		38,663	71,830
Change in benefit terms		-	-
Differences between expected and actual experience		(60,011)	30,193
Changes in assumptions or other inputs		(22,934)	61,934
Benefit payments		(52,739)	(54,010)
Net Changes		\$ 28,461	\$ 198,291
	Balance ending at:	June 30, 2023	June 30, 2024
		\$ 1,694,635	\$ 1,892,926

Note: The above table is not audited. For additional information see “APPENDIX – D” attached hereto. Information for the fiscal year ended June 30, 2025 is not available as of the date of this Official Statement.

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

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

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

Other Information

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

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

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

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

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

Financial Statements

The District retains independent certified public accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as “APPENDIX – D.” The Audited Financial Statements for the fiscal year ended June 30, 2025 are unavailable as of the date of this Official Statement. Certain financial information of the District can 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.

Buffamante Whipple Buttafaro, P.C., the independent auditor for the District, 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. Buffamante Whipple Buttafaro, P.C. also has not performed any procedures relating to this Official Statement.

Anticipated Unaudited Results for Fiscal Year Ending June 30, 2025

Based on preliminary estimates, the District expects to end the fiscal year ending June 30, 2025 with a cumulative unappropriated unreserved fund balance of \$5,262,416.

Summary unaudited information for the General Fund for the period ending June 30, 2025 is as follows:

Revenues:	\$31,983,713
Expenditures:	<u>32,993,925</u>
Excess (Deficit) Revenues Over Expenditures:	\$ (1,010,212)
Beginning Fund Balance June 30, 2024:	<u>\$ 10,251,374</u>
Total Fund Balance (including reserves) June 30, 2025:	<u>\$ 9,143,728</u> ⁽¹⁾

⁽¹⁾ Includes use of reserves.

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

New York State Comptroller Report of Examination

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

The State Comptroller's office released an audit report of the District on July 1, 2022. The purpose of the audit was to determine whether the District's Board of Education and District officials effectively managed fund balance and reserve funds for the period July 1, 2018 through December 8, 2021.

Key Findings:

The Board of Education and District officials did not properly manage fund balance and reserve funds. The Board of Education and District officials:

- Did not implement our prior audit's recommendations¹ to improve their budgeting practices and ensure surplus fund balance is in compliance with the statutory limit.
- Consistently overestimated appropriations by an average of more than \$2 million a year.
- Allowed surplus fund balance to exceed the statutory limit of 4 percent. As of June 30, 2021, it was nearly \$7.8 million (28 percent of the 2021-22 appropriations), exceeding the limit by more than \$6.6 million or 24 percentage points.
- Maintained an unemployment insurance reserve fund balance of \$227,000 which can fund average unemployment expenditures for 78 years.
- Did not ensure \$2.2 million was properly restricted in a debt reserve and did not use the funds to pay related debt as required.

Key Recommendations:

- Reduce surplus fund balance to comply with the statutory limit.
- Reduce the unemployment insurance reserve fund balance to a more reasonable level.
- Ensure that money residing in the debt service fund is restricted in a debt reserve and used to pay related debt.

There have been no other State Comptroller's audits of the District released within the past five years, nor are there any that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

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

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

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	13.3
2023	No Designation	6.7
2022	No Designation	6.7

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Dayton	\$ 8,285,624	\$ 9,211,714	\$ 9,544,491	\$ 9,656,395	\$ 9,744,143
East Otto	74,054,167	90,660,750 ⁽¹⁾	103,314,912	104,850,247	111,739,519
Leon	4,636,000	4,617,355	4,844,634	5,070,383	5,006,801
Little Valley	51,417,461	51,400,181	51,829,219	52,356,277	52,519,880
Mansfield	51,332,828	58,114,312	59,000,895	59,994,567	60,580,601
Napoli	34,799,460	36,622,201	41,969,772	45,667,079	48,290,263
New Albion	57,327,911	57,433,425	140,626,828 ⁽¹⁾	142,675,328	152,310,327
Otto	73,353,385	79,114,550	92,043,747	109,738,207	108,925,368
Persia	5,208,372	5,191,200	13,972,888 ⁽¹⁾	15,426,257	16,249,618
Total Assessed Values	<u>\$ 360,415,208</u>	<u>\$ 392,365,688</u>	<u>\$ 517,147,386</u>	<u>\$ 545,434,740</u>	<u>\$ 565,366,520</u>
State Equalization Rates					
Towns of:					
Dayton	100.00%	100.00%	91.00%	90.00%	86.50%
East Otto	93.00%	100.00%	100.00%	100.00%	100.00%
Leon	77.00%	73.00%	66.00%	67.00%	64.00%
Little Valley	62.00%	53.00%	48.00%	45.00%	40.00%
Mansfield	100.00%	100.00%	89.00%	82.00%	76.00%
Napoli	100.00%	100.00%	100.00%	100.00%	100.00%
New Albion	56.00%	49.00%	100.00% ⁽¹⁾	100.00%	100.00%
Otto	100.00%	100.00%	100.00%	100.00%	100.00%
Persia	68.00%	57.00%	100.00% ⁽¹⁾	100.00%	100.00%
Total Taxable Full Valuation	<u>\$ 446,382,242</u>	<u>\$ 503,348,584</u>	<u>\$ 584,027,633</u>	<u>\$ 626,165,570</u>	<u>\$ 667,614,144</u>

⁽¹⁾ Significant change due to revaluation.

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Dayton	\$ 10.88	\$ 9.59	\$ 9.06	\$ 8.71	\$ 8.70
East Otto	11.70	9.57	8.26	7.86	7.52
Leon	14.13	13.13	12.52	11.73	11.76
Little Valley	17.55	18.08	17.18	17.47	18.80
Mansfield	10.88	9.59	9.28	9.59	9.90
Napoli	10.88	9.59	8.26	7.86	7.51
New Albion	19.43	19.56	8.26 ⁽¹⁾	7.86	8.52
Otto	10.88	9.59	8.26	7.86	8.53
Persia	16.01	16.82	8.20 ⁽¹⁾	7.86	7.52

⁽¹⁾ Significant change due to revaluation.

Source: District officials.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 4,858,330	\$ 4,825,699	\$ 4,825,699	\$ 4,922,213	\$ 5,022,957
Amount Uncollected ⁽¹⁾	376,362	368,982	379,435	388,170	N/A
% Uncollected	7.75%	7.65%	7.86%	7.89%	N/A

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

Source: District officials.

Tax Collection Procedure

Tax payments are due on the first of September. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged for the next 30 days. On or about November 8th, uncollected taxes are returnable to the County for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues⁽¹⁾</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2019-2020	\$ 24,801,360	\$ 4,946,531	19.94%
2020-2021	24,514,052	4,984,524	20.33
2021-2022	25,322,719	5,000,308	19.75
2022-2023	26,513,547	4,985,844	18.80
2023-2024	26,921,065	4,982,283	18.51
2024-2025 (Budgeted)	29,142,707	5,105,213	17.52
2024-2025 (Unaudited)	31,983,713	5,111,685	15.98
2025-2026 (Budgeted)	31,531,281	5,212,957	16.53

⁽¹⁾ Do not include appropriated fund balance or interfund transfers.

Source: Audited Financial Statements for the 2019-2020 through 2023-2024 fiscal years, the adopted budget and unaudited figures for the 2024-2025 fiscal year, and adopted budget figures for the 2025-2026 fiscal year. This table is not audited. The unaudited projections for the 2024-2025 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Larger Taxpayers – 2025 for 2025-2026 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
National Fuel Gas Supply	Utility	\$ 19,753,630
Niagara Mohawk Power Company	Utility	13,719,443
State of New York	Government	10,184,620
National Fuel Gas Distribution	Utility	4,995,267
Armstrong Communications	Utility	4,156,247
NYS Electric & Gas	Utility	4,019,478
Village of Little Valley	Government	1,797,783
Kiantone Pipeline Corp	Utility	1,716,001
Verizon	Utility	1,494,267
Steuben Rural Electric Co	Utility	1,099,173

The ten larger taxpayers listed above have a total taxable assessed valuation of \$62,935,909, which represents 11.13% of the tax base of the District for the 2025-2026 fiscal year.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known to have a material impact on the District.

Source: District Tax Rolls.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

The 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The 2022-2023 State Budget provided \$2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

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

<u>Town of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Dayton	\$ 77,490	\$ 27,000	4/10/2025
East Otto	86,100	30,000	4/10/2025
Leon	57,690	20,100	4/10/2025
Little Valley	38,750	13,500	4/10/2025
Mansfield	70,600	24,600	4/10/2025
Napoli	86,100	30,000	4/10/2025
New Albion	86,100	30,000	4/10/2025
Otto	88,800	32,730	4/10/2025
Persia	87,470	34,230	4/10/2025

\$523,956 of the District's \$5,092,213 school tax levy for the 2024-2025 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2025.

Approximately \$523,956 of the District's \$5,125,207 school tax levy for the 2025-2026 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

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

Senior Citizens' exemptions are offered to those who qualify.

The total valuation of the School District is estimated to be categorized as follows: Residential-90%, and Commercial-10%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$953 for 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. It was set to expire on June 15, 2020; however, legislation has since made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

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

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation. The State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the year 2020-2021 school year, to adjust the exclusion to reflect a school District's share of capital expenditures related to projects funded through a board of cooperative educational services ("BOCES").

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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 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.

Debt Limit. The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking 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 Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

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

1. (a) Such obligations were authorized for an object or purpose for which the District is not authorized to expend money, or
 (b) The provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of the notice; or
2. Such obligations are authorized in violation of the provisions of the Constitution of New York.

The District customarily complies with this procedure, and it has done so with respect to the bond resolution under which the Notes are being issued. The Board, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 25,877,900	\$ 22,980,000	\$ 20,049,500	\$ 17,485,000	\$ 30,120,000 ⁽²⁾
Bond Anticipation Notes	0	0	7,700,000	16,290,000	18,765,000 ⁽²⁾
Other Debt ⁽¹⁾	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	\$ 25,877,900	\$ 22,980,000	\$ 27,749,500	\$ 33,775,000	\$ 48,885,000

- ⁽¹⁾ In 2022, the District implemented GASB Statement No. 87 for accounting and reporting leases. GASB Statement No. 87 requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with the recognition of inflows and outflows of resources, as applicable.
- ⁽²⁾ On June 17, 2025, the District permanently financed its \$15,765,000 bond anticipation notes issuance through the issuance of \$14,645,000 serial bonds through the Dormitory Authority of the State of New York. Said bond anticipation notes matured on July 10, 2025; therefore, both the bond anticipation notes and serial bonds were outstanding as of June 30, 2025 and are included in the totals above.

Note: Apart from as noted above, the figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of September 10, 2025:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2026-2052	\$ 30,618,000
Bond Anticipation Notes		
Legal Settlement	September 30, 2025	<u>3,000,000⁽¹⁾</u>
	Total Indebtedness	<u>\$ 33,618,000</u>

- ⁽¹⁾ To be redeemed and renewed in full at maturity with the proceeds of the Notes.

Note: The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin prepared and shown as of September 10, 2025:

Full Valuation of Taxable Real Property	\$ 667,614,144
Debt Limit – 10% thereof	66,761,414

Inclusions:

Bonds	\$ 30,618,000	
Bond Anticipation Notes (BANs):	3,000,000	
Total Inclusions prior to issuance of the Notes	33,618,000	
Less: BANs being redeemed from appropriations (Total)	(0)	
Add: New money proceeds of the Notes (Total)	0	
Total Net Inclusions after issuance of the Notes		\$ 33,618,000

Exclusions:

State Building Aid ⁽¹⁾	\$ 0	
Total Exclusions		\$ 0

Total Net Indebtedness after issuance of the Notes

\$ 33,618,000

Net Debt-Contracting Margin

\$ 33,143,414

The percent of debt contracting power exhausted is

50.36%

- ⁽¹⁾ Based on preliminary 2025-2026 building aid estimates, the District anticipates State Building aid of 90.7% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The 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 District will receive in relation to the outstanding bonds.

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. The figures above do not include any energy performance contract, capital lease, or installment purchase indebtedness, to the extent that any such indebtedness may be applicable to the District, and to the extent same is includable in the debt limit.

Bonded Debt Service

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

Capital Project Plans

The District borrows annually for the purchase of school buses.

On April 30, 2025, the District issued a \$3,000,000 Bond Anticipation Note to finance the settlement of a lawsuit. The proceeds of the Notes will redeem and renew, in full, said Bond Anticipation Note.

The District completes a Capital Outlay project every year in the amount of \$100,000.

There are presently no other capital projects authorized and unissued by the District, nor are any contemplated.

Cash Flow Borrowings

The School District, historically, does not issue tax and/or revenue anticipation notes, nor does it reasonably expect to issue any in the foreseeable future.

Estimated Overlapping Indebtedness

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Cattaraugus	7/31/2025 ⁽³⁾	\$ 39,922,950	\$ -	\$ 39,922,950	10.62%	\$ 4,239,817
Town of:						
Dayton	12/31/2023 ⁽⁴⁾	-	- ⁽⁵⁾	-	11.05%	-
East Otto	12/31/2023 ⁽⁴⁾	-	- ⁽⁵⁾	-	81.87%	-
Leon	12/31/2023 ⁽⁴⁾	-	- ⁽⁵⁾	-	9.71%	-
Little Valley	12/31/2023 ⁽⁴⁾	136,251	- ⁽⁵⁾	136,251	92.22%	125,651
Mansfield	- ⁽⁶⁾	-	- ⁽⁵⁾	-	33.16%	-
Napoli	12/31/2023 ⁽⁴⁾	80,000	- ⁽⁵⁾	80,000	43.87%	35,096
New Albion	12/31/2023 ⁽⁴⁾	148,881	- ⁽⁵⁾	148,881	98.62%	146,826
Otto	12/31/2023 ⁽⁴⁾	105,307	- ⁽⁵⁾	105,307	100.00%	105,307
Persia	12/31/2023 ⁽⁴⁾	-	- ⁽⁵⁾	-	11.02%	-
Village of:						
Little Valley	5/31/2024 ⁽⁴⁾	3,693,904	- ⁽⁵⁾	3,693,904	100.00%	3,693,904
Cattaraugus	5/31/2024 ⁽⁴⁾	1,416,974	- ⁽⁵⁾	1,416,974	100.00%	1,416,974
Total:						<u>\$ 9,763,576</u>

- (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.
- (2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.
- (3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.
- (4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.
- (5) Information regarding excludable debt not available.
- (6) Recent information not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of September 10, 2025:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 33,618,000	\$ 5,195.18	5.04%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	43,381,576	6,704.00	6.50

- (a) The current estimated population of the District is 6,471. (See "THE SCHOOL DISTRICT – Population" herein.)
- (b) The District's full value of taxable real estate for 2025-26 is \$667,614,144. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
- (c) See "Debt Statement Summary" herein.
- (d) Estimated net overlapping indebtedness is \$9,763,576. (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

In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, State aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes.

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

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

The Federal Bankruptcy Code allows public bodies 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 to file a petition under any provision of federal bankruptcy law for the composition or adjustment of municipal indebtedness. While these provisions do not apply to school districts, there can be no assurance that they will not be made so applicable in the future.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

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

MARKET AND RISK FACTORS

The financial and economic condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State and in other jurisdictions in the Counties, 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 other jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

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

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

Amendments to the Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Notes and other debt issued by the District. (see "TAX EXEMPTION," herein).

Disease outbreaks or similar public health threats could have an adverse impact on the District's financial condition and operating results.

The Trump administration has publicly discussed dismantling the federal Education Department. It is not possible to know what impact that would have on school districts across the country, including the School District. Additionally, the Trump administration has imposed tariffs on a variety of different nations across the globe. The effects of such tariffs are not known at this time.

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

TAX EXEMPTION

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

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

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

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

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

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

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

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

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

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District and, unless paid from other sources, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limitation Law); provided, however, that the enforceability (but not the validity) of the Notes may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of equitable remedies or the application thereto of equitable principles; (ii) assuming that the District complies with certain requirements of the Code, interest on the Notes (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (iii) interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Notes.

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

LITIGATION

The District is involved in legal matters arising from the ordinary course of its operation.

Aside from the lawsuit, for which the Notes are being issued, 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.

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), unless the Notes are purchased for the purchaser’s own account, as principal for investment and not for resale, the District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as “APPENDIX – C.” A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Notes as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

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

Historical Continuing Disclosure Compliance

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

MUNICIPAL ADVISOR

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

CUSIP IDENTIFICATION NUMBERS

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.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement. (See “APPENDIX – C” herein).

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), has assigned its underlying rating of “A+” with a stable outlook to the District’s outstanding bonds. A rating reflects only the view of the rating agency assigning such rating, and any explanation of the significance of such rating should be obtained from Standard & Poor’s Credit Market Services, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes. Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate," "estimate," "expect," "objective," "projection," "forecast," "goal," or similar words are intended to identify forward-looking statements.

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

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the District, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

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

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

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

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

The District's contact information is as follows: Sally J. Hadley, Business Executive, 25 North Franklin Street, Cattaraugus, New York 14719, Phone: (716) 257-5296, Fax: (716) 257-5298, Email: shadley@clvschools.org.

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

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT

Dated: September 10, 2025

BENJAMIN STOLL
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 7,034,513	\$ 8,613,114	\$ 7,939,813	\$ 6,941,195	\$ 7,629,482
Restricted Cash	1,867,003	1,789,788	1,932,134	2,490,151	2,580,854
Taxes Receivable	-	-	-	-	-
State and Federal Aid Receivable	256,604	574,977	434,114	472,007	672,718
Due from Other Funds	817,320	623,215	681,515	736,315	848,441
Due from Other Governments	1,622,431	10,276	153,842	1,779,410	62,775
Other Receivables	-	-	-	-	-
TOTAL ASSETS	<u><u>\$ 11,597,871</u></u>	<u><u>\$ 11,611,370</u></u>	<u><u>\$ 11,141,418</u></u>	<u><u>\$ 12,419,078</u></u>	<u><u>\$ 11,794,270</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 171,180	\$ 157,082	\$ 142,585	\$ 182,686	\$ 172,183
Accrued Liabilities	95,717	103,577	153,351	143,339	198,785
Due to Other Funds	10	-	8,182	79	216,597
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	633,937	701,264	762,752	834,073	820,965
Due to Employees' Retirement System	94,847	106,225	81,317	96,752	123,698
Unearned Revenue	1,871	6,289	6,289	6,289	10,668
TOTAL LIABILITIES	<u>997,562</u>	<u>1,074,437</u>	<u>1,154,476</u>	<u>1,263,218</u>	<u>1,542,896</u>
<u>FUND EQUITY</u>					
Restricted	\$ 1,867,003	\$ 1,789,789	\$ 1,928,481	\$ 2,490,151	\$ 2,588,855
Unrestricted:					
Assigned	1,026,295	977,024	801,384	1,649,029	2,718,092
Unassigned	7,707,011	7,770,120	7,257,077	7,016,680	4,944,427
TOTAL FUND EQUITY	<u>10,600,309</u>	<u>10,536,933</u>	<u>9,986,942</u>	<u>11,155,860</u>	<u>10,251,374</u>
TOTAL LIABILITIES & FUND EQUITY	<u><u>\$ 11,597,871</u></u>	<u><u>\$ 11,611,370</u></u>	<u><u>\$ 11,141,418</u></u>	<u><u>\$ 12,419,078</u></u>	<u><u>\$ 11,794,270</u></u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Actual

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Real Property Taxes and Tax Items	\$ 5,056,984	\$ 4,946,531	\$ 4,984,524	\$ 5,000,308	\$ 4,985,844
Non-Property Tax Items	-	-	-	-	-
Charges for Services	-	-	-	16,117	23,095
Use of Money & Property	141,914	133,730	111,812	124,786	221,303
Sale of Property and Compensation for Loss	53,094	128,638	27,436	18,240	266,889
Miscellaneous	462,648	344,107	369,856	314,831	355,895
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	18,899,200	19,248,354	18,716,335	19,848,437	20,660,521
Revenues from Federal Sources	-	-	304,089	-	-
Total Revenues	<u>\$ 24,613,840</u>	<u>\$ 24,801,360</u>	<u>\$ 24,514,052</u>	<u>\$ 25,322,719</u>	<u>\$ 26,513,547</u>
Other Sources:					
Interfund Transfers	6,187	-	45,455	3,652	-
Retirement Reserve	-	-	-	-	-
Debt Reserve	-	-	-	-	-
Total Revenues and Other Sources	<u>24,620,027</u>	<u>24,801,360</u>	<u>24,559,507</u>	<u>25,326,371</u>	<u>26,513,547</u>
EXPENDITURES					
General Support	\$ 2,877,843	\$ 3,159,376	\$ 3,246,819	\$ 3,305,998	\$ 3,227,511
Instruction	10,414,068	11,102,544	11,081,668	12,174,116	12,499,855
Pupil Transportation	1,198,738	1,227,744	1,275,536	1,441,680	1,585,201
Community Services	70,000	110,000	130,000	130,000	150,000
Employee Benefits	4,196,431	4,053,159	4,175,428	4,290,441	3,975,803
Debt Service	4,289,619	4,350,340	4,353,274	4,356,859	4,252,097
Total Expenditures	<u>\$ 23,046,699</u>	<u>\$ 24,003,163</u>	<u>\$ 24,262,725</u>	<u>\$ 25,699,094</u>	<u>\$ 25,690,467</u>
Other Uses:					
Interfund Transfers	413,490	994,462	360,158	177,268	186,960
Total Expenditures and Other Uses	<u>23,460,189</u>	<u>24,997,625</u>	<u>24,622,883</u>	<u>25,876,362</u>	<u>25,877,427</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,159,838</u>	<u>(196,265)</u>	<u>(63,376)</u>	<u>(549,991)</u>	<u>636,120</u>
FUND BALANCE					
Fund Balance - Beginning of Year	9,636,736	10,796,574	10,600,309	10,536,933	9,986,942
Prior Period Adjustments (net)	-	-	-	-	532,798
Fund Balance - End of Year	<u>\$ 10,796,574</u>	<u>\$ 10,600,309</u>	<u>\$ 10,536,933</u>	<u>\$ 9,986,942</u>	<u>\$ 11,155,860</u>

Source: Audited Financial Statements of the School District. This Appendix is not itself Audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget

Fiscal Years Ending June 30:	2024			2025	2026
	<u>Adopted Budget</u>	<u>Modified Budget</u>	Actual	<u>Adopted Budget</u>	<u>Adopted Budget</u>
<u>REVENUES</u>					
Real Property Taxes and Tax Items	\$ 4,988,199	\$ 5,008,199	\$ 4,982,283	\$ 5,105,213	\$ 5,212,957
Non-Property Tax Items	-	-	-	-	-
Charges for Services	10,000	10,000	39,016	2,000	25,000
Use of Money & Property	166,530	166,530	422,969	402,655	334,860
Sale of Property and Compensation for Loss	52,200	52,200	55,022	71,500	70,000
Miscellaneous	220,460	220,460	365,757	345,000	388,600
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	21,979,065	21,979,065	21,056,018	23,216,339	25,499,864
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 27,416,454</u>	<u>\$ 27,436,454</u>	<u>\$ 26,921,065</u>	<u>\$ 29,142,707</u>	<u>\$ 31,531,281</u>
Other Sources:					
Interfund Transfers	471,435	300,000	121,163	554,542	409,000
Reserves	-	171,435	-	-	-
Debt Reserve	-	-	-	-	-
Total Revenues and Other Sources	<u>27,887,889</u>	<u>27,907,889</u>	<u>27,042,228</u>	<u>29,697,249</u>	<u>31,940,281</u>
<u>EXPENDITURES</u>					
General Support	\$ 3,893,434	\$ 4,124,200	\$ 3,521,485	\$ 3,914,596	\$ 4,174,940
Instruction	13,319,591	13,318,207	13,038,443	14,241,763	15,071,372
Pupil Transportation	1,923,725	1,924,953	1,645,069	1,928,795	2,018,490
Community Services	150,000	170,000	170,000	170,000	190,000
Employee Benefits	5,054,974	4,977,507	4,601,261	6,052,355	6,171,550
Debt Service	4,942,051	4,926,054	4,823,971	5,760,060	5,469,429
Total Expenditures	<u>\$ 29,283,775</u>	<u>\$ 29,440,921</u>	<u>\$ 27,800,229</u>	<u>\$ 32,067,569</u>	<u>\$ 33,095,781</u>
Other Uses:					
Interfund Transfers	100,000	115,997	146,485	100,000	100,000
Total Expenditures and Other Uses	<u>29,383,775</u>	<u>29,556,918</u>	<u>27,946,714</u>	<u>32,167,569</u>	<u>33,195,781</u>
Excess (Deficit) Revenues Over Expenditures	<u>(1,495,886)</u>	<u>(1,649,029)</u>	<u>(904,486)</u>	<u>(2,470,320)</u>	<u>(1,255,500)</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	1,495,886	1,649,029	11,155,860	2,470,320	1,255,500
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,251,374</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited Financial Statements and Budgets (unaudited) of the School District. This Appendix is not itself Audited.

APPENDIX - B
Cattaraugus-Little Valley CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	\$ 2,965,000	\$ 1,665,661.36	\$ 4,630,661.36
2027	4,098,000	1,336,213.75	5,434,213.75
2028	3,435,000	1,144,286.25	4,579,286.25
2029	3,430,000	984,935.63	4,414,935.63
2030	3,410,000	825,187.50	4,235,187.50
2031	1,340,000	661,425.00	2,001,425.00
2032	1,205,000	600,425.00	1,805,425.00
2033	1,265,000	540,175.00	1,805,175.00
2034	1,325,000	476,925.00	1,801,925.00
2035	1,390,000	413,675.00	1,803,675.00
2036	1,455,000	347,275.00	1,802,275.00
2037	1,525,000	277,775.00	1,802,775.00
2038	1,595,000	204,925.00	1,799,925.00
2039	1,310,000	128,675.00	1,438,675.00
2040	75,000	63,175.00	138,175.00
2041	80,000	59,425.00	139,425.00
2042	80,000	55,425.00	135,425.00
2043	85,000	51,925.00	136,925.00
2044	90,000	48,100.00	138,100.00
2045	90,000	44,050.00	134,050.00
2046	100,000	40,000.00	140,000.00
2047	105,000	35,000.00	140,000.00
2048	110,000	29,750.00	139,750.00
2049	110,000	24,250.00	134,250.00
2050	115,000	18,750.00	133,750.00
2051	130,000	13,000.00	143,000.00
2052	130,000	6,500.00	136,500.00
TOTALS	\$ 31,048,000	\$ 10,096,909.49	\$ 41,144,909.49

The table above does not include any energy performance contract, capital lease, or installment purchase contract indebtedness, to the extent any such indebtedness may be applicable to the District.

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2020 Buses			2021 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 85,000	\$ 584.38	\$ 85,584.38	\$ 60,000	\$ 1,080.00	\$ 61,080.00
2027	-	-	-	60,000	360.00	60,360.00
TOTALS	\$ 85,000	\$ 584.38	\$ 85,584.38	\$ 120,000	\$ 1,440.00	\$ 121,440.00

Fiscal Year Ending June 30th	2022 Buses			2023 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 125,000	\$ 11,209.38	\$ 136,209.38	\$ 160,000	\$ 24,218.75	\$ 184,218.75
2027	130,000	6,825.00	136,825.00	160,000	17,418.75	177,418.75
2028	130,000	2,275.00	132,275.00	160,000	10,618.75	170,618.75
2029	-	-	-	165,000	3,609.38	168,609.38
TOTALS	\$ 385,000	\$ 20,309.38	\$ 405,309.38	\$ 645,000	\$ 55,865.63	\$ 700,865.63

Fiscal Year Ending June 30th	2025 Buses			2025 Buses		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 315,000	\$ 55,359.79	\$ 370,359.79	\$ -	\$ 15,772.40	\$ 15,772.40
2027	320,000	44,800.00	364,800.00	173,000	31,385.00	204,385.00
2028	320,000	33,600.00	353,600.00	180,000	25,117.50	205,117.50
2029	320,000	22,400.00	342,400.00	185,000	18,501.25	203,501.25
2030	320,000	11,200.00	331,200.00	190,000	11,562.50	201,562.50
2031	-	-	-	200,000	4,000.00	204,000.00
TOTALS	\$ 1,595,000	\$ 167,359.79	\$ 1,762,359.79	\$ 928,000	\$ 106,338.65	\$ 1,034,338.65

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Capital Project - DASNY			2019 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ -	\$ 65,000.00	\$ 65,000.00	\$ 1,395,000	\$ 390,250.00	\$ 1,785,250.00
2027	-	65,000.00	65,000.00	1,480,000	320,500.00	1,800,500.00
2028	-	65,000.00	65,000.00	1,560,000	246,500.00	1,806,500.00
2029	-	65,000.00	65,000.00	1,640,000	168,500.00	1,808,500.00
2030	-	65,000.00	65,000.00	1,730,000	86,500.00	1,816,500.00
2031	-	65,000.00	65,000.00	-	-	-
2032	-	65,000.00	65,000.00	-	-	-
2033	-	65,000.00	65,000.00	-	-	-
2034	300,000	65,000.00	365,000.00	-	-	-
2035	310,000	53,000.00	363,000.00	-	-	-
2036	325,000	40,600.00	365,600.00	-	-	-
2037	340,000	27,600.00	367,600.00	-	-	-
2038	350,000	14,000.00	364,000.00	-	-	-
TOTALS	\$ 1,625,000	\$ 720,200.00	\$ 2,345,200.00	\$ 7,805,000	\$ 1,212,250.00	\$ 9,017,250.00

Fiscal Year Ending June 30th	2022 Refunding of 2012A DASNY Issue			2025 Capital Project - DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 820,000	\$ 160,750.00	\$ 980,750.00	\$ 5,000	\$ 941,436.67	\$ 946,436.67
2027	885,000	119,750.00	1,004,750.00	890,000	730,175.00	1,620,175.00
2028	225,000	75,500.00	300,500.00	860,000	685,675.00	1,545,675.00
2029	230,000	64,250.00	294,250.00	890,000	642,675.00	1,532,675.00
2030	245,000	52,750.00	297,750.00	925,000	598,175.00	1,523,175.00
2031	255,000	40,500.00	295,500.00	885,000	551,925.00	1,436,925.00
2032	270,000	27,750.00	297,750.00	935,000	507,675.00	1,442,675.00
2033	285,000	14,250.00	299,250.00	980,000	460,925.00	1,440,925.00
2034	-	-	-	1,025,000	411,925.00	1,436,925.00
2035	-	-	-	1,080,000	360,675.00	1,440,675.00
2036	-	-	-	1,130,000	306,675.00	1,436,675.00
2037	-	-	-	1,185,000	250,175.00	1,435,175.00
2038	-	-	-	1,245,000	190,925.00	1,435,925.00
2039	-	-	-	1,310,000	128,675.00	1,438,675.00
2040	-	-	-	75,000	63,175.00	138,175.00
2041	-	-	-	80,000	59,425.00	139,425.00
2042	-	-	-	80,000	55,425.00	135,425.00
2043	-	-	-	85,000	51,925.00	136,925.00
2044	-	-	-	90,000	48,100.00	138,100.00
2045	-	-	-	90,000	44,050.00	134,050.00
2046	-	-	-	100,000	40,000.00	140,000.00
2047	-	-	-	105,000	35,000.00	140,000.00
2048	-	-	-	110,000	29,750.00	139,750.00
2049	-	-	-	110,000	24,250.00	134,250.00
2050	-	-	-	115,000	18,750.00	133,750.00
2051	-	-	-	130,000	13,000.00	143,000.00
2052	-	-	-	130,000	6,500.00	136,500.00
TOTALS	\$ 3,215,000	\$ 555,500.00	\$ 3,770,500.00	\$ 14,645,000	\$ 7,257,061.67	\$ 21,902,061.67

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Cattaraugus-Little Valley Central School District, Cattaraugus County, the State of New York (the “Issuer”) in connection with the issuance of its \$3,000,000 Bond Anticipation Note, 2025A (such Note(s) including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

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

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

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

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

Section 2. Definitions.

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

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

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

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

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

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

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

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

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

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

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

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

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of September 29, 2025.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK

By: SPECIMEN
President of the Board of Education

(SEAL)

ATTEST:

SPECIMEN
District Clerk

**CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
CATTARAUGUS COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 2024

The Audited Financial Statements, including opinion, 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.

**CATTARAUGUS-LITTLE VALLEY CENTRAL
SCHOOL DISTRICT**

AUDIT REPORTING PACKAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**CATTARAUGUS-LITTLE VALLEY CENTRAL
SCHOOL DISTRICT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the President and Members of
The Board of Education
Cattaraugus-Little Valley Central School District
Cattaraugus, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of **Cattaraugus-Little Valley Central School District** as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise **Cattaraugus-Little Valley Central School District's** basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **Cattaraugus-Little Valley Central School District**, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Report on Summarized Comparative Information

We have previously audited the **Cattaraugus-Little Valley Central School District's** June 30, 2023 financial statements, and our report dated October 3, 2023, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-9) and budgetary comparison information (pages 38-39) schedule of changes in District's net OPEB liability and related ratios (page 45), schedule of District contributions – OPEB (page 46), schedule of the District contributions for defined benefit pension plans (page 47) and the schedule of the District's proportionate share of the net pension asset/liability (page 48) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2024 on our consideration of **Cattaraugus-Little Valley Central School District's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Cattaraugus-Little Valley Central School District's** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 24, 2024**

**CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Page 3

I. Discussion and Analysis

The following is a discussion and analysis of the **Cattaraugus-Little Valley Central School District's** financial performance for the year ended June 30, 2024. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is 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 District's financial statements, which follows this section.

II. Financial Highlights

The following items are the financial highlights experienced by the **Cattaraugus-Little Valley Central School District** during the fiscal year ended June 30, 2024:

- Overall net position from operations of the District increased during the current year in the amount of \$409,000 from operations as compared to an increase of \$1,404,000 during the prior fiscal year.
- The District's total revenue increased 4% from \$29,976,000 for the year ended June 30, 2023 to \$31,300,000 for the year ended June 30, 2024. This increase was primarily related to an increase in state aid, Pandemic related Federal grants and interest earned.
- The District's total expenses increased approximately 8% from \$28,572,000 during the year ended June 30, 2023 to \$30,891,000 during the year ended June 30, 2024. This increase was primarily related to increases in salaries, health insurance costs and BOCES expenses, along with an increase in pension expense related to actuarial updates.
- The District's had capital outlays during the current year in the amount of approximately \$9,884,000, which was related to costs associated with the District's 2021 capital project, the purchase of new transportation vehicles, a capital outlay project and technology right-to-use equipment.

III. Overview of the Financial Statements

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of **Cattaraugus-Little Valley Central School District**.

**III. Overview of the Financial Statements
(continued)**

A. Reporting the School District as a Whole (District-wide Financial Statements):

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. Activities that are fiduciary in nature are not included in these statements.

1. Statement of Net Position

The Statement of Net Position (page 10) shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

2. Statement of Activities

The Statement of Activities (page 11) shows the amounts of program-specific and general District revenue used to support the District's various functions.

The Statement of Net Position and Statement of Activities divide the activities of the District into two categories: governmental activities (the school functions, including general support, instruction, transportation, administration, etc.; property taxes, state and federal revenue usually support most of these functions) and proprietary activities. The District only had governmental activities during the current fiscal year.

The two district-wide statements report the School District's net position and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows 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. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

**CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Page 4

**III. Overview of the Financial Statements
(continued)**

B. *Reporting the District's Most Significant Funds (Fund Financial Statements):*

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the District's operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds but are combined and presented in a separate column.

The District has two kinds of funds:

1. Governmental Funds

Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental funds

**III. Overview of the Financial Statements
(continued)**

B. *Reporting the District's Most Significant Funds (Fund Financial Statements) (continued):*

1. Governmental Funds (continued)

statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

2. Fiduciary Funds

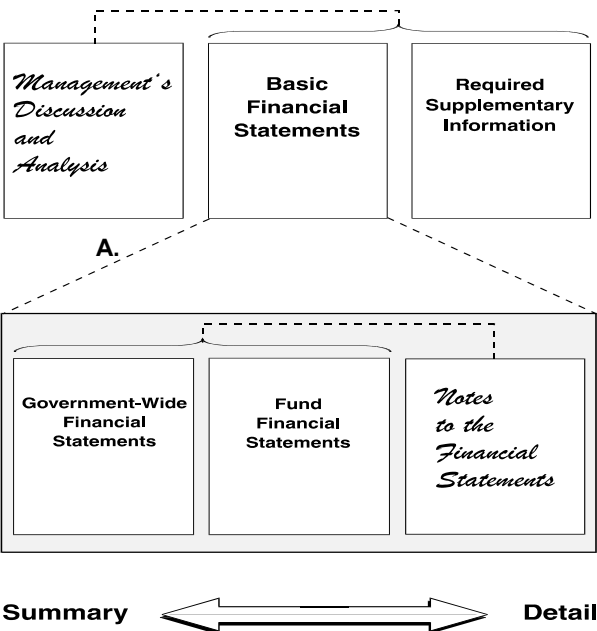
The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Figure A-1 - Major Features of the District-Wide Statements and Fund Financial Statements

	District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources /liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital and right-to-use assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital and right-to-use assets, although they can
Type of inflow/outflow information	All revenues and expenses during the 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

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Figure A-2 - Required Components of the District's Annual Financial Report



IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net position was approximately \$34,388,000. The components of net position include: net investment in capital and right-to-use assets, of \$22,809,000; restricted net position of \$5,117,000; and unrestricted net position of \$6,462,000.

Changes in Net Position

The District's total government-wide revenue increased by approximately 4% to \$31,300,000. Approximately 16%, 12% and 68% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining 4% comes from federal aid, use of money and property, miscellaneous and charges for services.

IV. Financial Analysis of the School District as a Whole (continued)

Changes in Net Position (continued)

The total cost of all programs and services of the District increased 8% to \$30,891,000. The District's expenses cover a range of services, with 68% related to instruction and 15% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

Governmental Activities

Revenue of the District's governmental activities increased approximately 4%, while total expenses increased 8%. The District's total net position increased approximately \$409,000 or 1% from operations during the fiscal year ended June 30, 2024.

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled \$31,300,000 for the fiscal year ended June 30, 2024. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 16% of the District's total revenue for governmental activities decreased by approximately 0% during the year ended June 30, 2024.
- The District's most significant revenue is state sources which represent \$21,056,000 or 68% of total governmental revenue. The District State sources increased approximately 2% during the current year which was primarily related to an increase in state aid, including BOCES aid.
- During the year ended June 30, 2024, the District saw an increase in program revenue, which resulted from an increase in operating grants and contributions which increased \$787,000 and an increase in charges for services of \$21,000. The increase in operating grants and contributions was the result of Pandemic related Federal grants, along with increases in Federal and State reimbursement for meals served in the food service fund. This increase in reimbursement was related to the District transitioning from a traditional program whereby there is a combination of free, reduced and paid meals to the Community Eligibility Provision (CEP) Program where all meals were provided at no cost to the students which was reimbursed 100% by the Federal and State government. The change resulted in an increase in meals served.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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IV. Financial Analysis of the School District as a Whole (continued)

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service costs and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$30,891,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support costs increased by approximately \$311,000 or 7% which was primarily due to increases in salaries, health insurance expense, materials and supplies and BOCES expenses, along with an increase in pension expense related to actuarial updates.
- The District's instruction costs increased by approximately \$1,082,000 or 5% which was primarily due to increases in salaries, health insurance costs, depreciation and BOCES expenses, along with an increase in pension expense related to actuarial updates.
- Debt service costs increased \$697,000 during the current year as a result of an increase in interest expense related to additional debt outstanding and higher interest rates.
- Transportation costs of the District increased \$148,000 or 5% during the year ended June 30, 2024. This increase was primarily related to an increase in salaries and health insurance costs, along with an increase in pension expense related to actuarial updates.
- The District's cost of sales (food service fund) totaled \$519,000 during the current year as compared to \$458,000 during the fiscal year ended June 30, 2023. The District had an increase in meals served during the current year from participating in the CEP program resulting in an increase in costs from its third-party provider.
- The District received approximately \$3,943,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs (\$26.9 million) were financed by real property taxes and state aid.

IV. Financial Analysis of the School District as a Whole (continued)

Figure A-3 – Condensed Statement of Net Position

Cattaraugus-Little Valley Central School District
Condensed Statement of Net Position (in thousands of dollars)

	Governmental Activities and Total District-wide		
	2024	2023	% Change
Assets			
Current and other assets	\$ 16,125	\$ 16,015	1%
Capital and right-to-use assets	56,831	49,604	15%
Total assets	72,956	65,619	11%
Deferred Outflows of Resources			
Deferred outflows related to pension and OPEB	4,869	5,846	-17%
Total assets and deferred outflows of resources	\$ 77,825	\$ 71,465	9%
Liabilities			
Other liabilities	\$ 18,482	\$ 9,481	95%
Long-term liabilities	23,668	27,210	-13%
Total liabilities	42,150	36,691	15%
Deferred Inflows of Resources			
Deferred inflows related to pensions and OPEB	1,287	795	62%
Total liabilities and deferred inflows of resources	43,437	37,486	16%
Net position			
Net investment in capital and right-to-use assets	22,809	20,108	13%
Restricted	5,117	4,818	6%
Unrestricted	6,462	9,053	-29%
Total net position	34,388	33,979	1%
Total liabilities, deferred inflows of resources & net position	\$ 77,825	\$ 71,465	9%

Figure A-4 – Changes in Net Position

Cattaraugus-Little Valley Central School District
Changes in Net Position from Operating Results (in thousands of Dollars)

	Governmental Activities and Total District-wide		
	2024	2023	% Change
Revenue			
Program revenue			
Charges for services	\$ 72	\$ 93	-23%
Operating grants and contributions	3,871	3,084	26%
General revenue			
Real property taxes	4,982	4,986	0%
Use of money & property	507	260	95%
Sale of property & comp for gain (loss)	55	267	-79%
State sources	21,056	20,661	2%
Miscellaneous	757	625	21%
Total revenue	31,300	29,976	4%
Expenses			
General support	4,620	4,309	7%
Instruction	21,139	20,057	5%
Transportation	2,997	2,849	5%
Community services	170	150	13%
Debt service - interest	1,446	749	93%
Cost of sales	519	458	13%
Total expenses	30,891	28,572	8%
Change in net position	\$ 409	\$ 1,404	

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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Figure A-5 – Sources of revenue

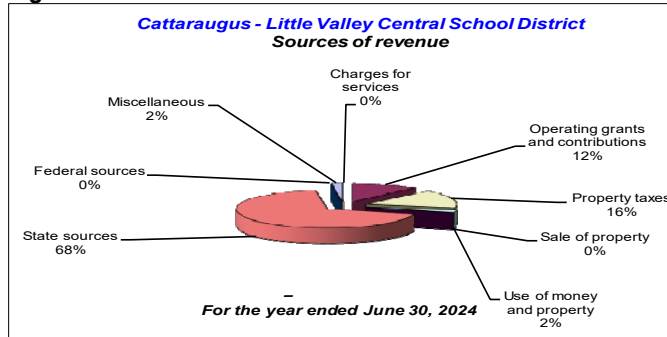


Figure A-6 - Expenses

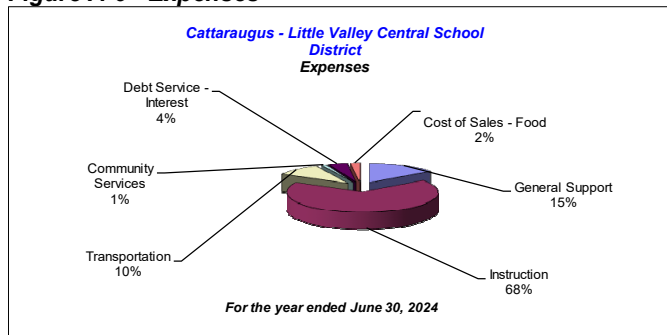


Figure A-7 – Expenditures Supported with Program Revenue

Cattaraugus-Little Valley Central School District				
Expenditures supported with program revenue (in thousands of dollars)				
	Governmental Activities & Total District			
	2024	2023		
Expenditures supported with general revenue (from taxes & other sources)	\$ 26,948	87%	\$ 25,395	89%
Expenditures supported with program revenue	3,943	13%	3,177	11%
Total expenditures related to governmental activities	\$ 30,891	100%	\$ 28,572	100%

Figure A-8 – Net Cost of Governmental Activities

Cattaraugus-Little Valley Central School District						
Net Cost of Governmental Activities (in thousands of dollars)						
	Total cost of services			Net cost of services		
	2024	2023	Change	2024	2023	Change
General support	\$ 4,620	\$ 4,309	\$ 311	\$ 3,566	\$ 4,059	\$ (493)
Instruction	21,139	20,057	1,082	18,877	17,676	1,201
Transportation	2,997	2,849	148	2,940	2,740	200
Community services	170	150	20	170	150	20
Debt service - interest	1,446	749	697	1,446	749	697
Cost of sales - food	519	458	61	(51)	21	(72)
Total	\$ 30,891	\$ 28,572	\$ 2,319	\$ 26,948	\$ 25,395	\$ 1,553

V. Financial Analysis of the School District's Funds

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources' measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund expenditures and other uses exceeded its revenue and other sources by approximately \$904,000.
- The District's general fund unassigned fund balance equated to approximately \$4,944,000 as of June 30, 2024.
- The District had many fund balance reserves during the year ended June 30, 2024, and had a total restricted fund balance of approximately \$2,589,000.
- The District's total assets decreased approximately \$625,000 as of June 30, 2024 due to a decrease in due from other governments. The District's liabilities increased approximately \$280,000 mainly as a result of an increase in due to other funds.
- Total revenue in the District's general fund increased \$528,000 which was primarily related to an increase in state aid and interest earnings. Total expenditures in the District's general fund increased \$2,066,000, which resulted from increases in salaries, health insurance costs, BOCES expenses and debt service costs.

Food Service Fund

- The District's food service fund experienced a \$51,000 increase in fund equity during the current fiscal year.
- Revenue in the District's food service fund was \$570,000 during 2024 as compared with \$436,000 in 2023. Expenditures increased by approximately \$5,000. Both revenues and expenditures increased in the current year. The District transitioned to the CEP program in the current year, whereby all students received free meals resulting in an increase in the number of meals served.

**CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**V. Financial Analysis of the School District's Funds
(continued)**

Special Aid Fund

- The District's special aid fund revenue and expenditures increased approximately \$577,000 or 21% related to Pandemic related Federal grants.

Miscellaneous Special Revenue Fund

- During the current year, the District accounted for student activity transactions in the miscellaneous special revenue fund.

Capital Projects Fund

- The District had expenditures in the amount of approximately \$8,674,000 in the capital projects fund during the year ended June 30, 2024, which was related to the District's 2021 capital project, smart bond act project, vehicle purchases and capital outlay project.

VI. General Fund Budgetary Highlights

Over the course of the year, the District makes many budget transfers. Actual expenditures were approximately \$1,610,000 below the revised budget. The most significant positive variances were in the areas of general support, instruction, transportation and employee benefits which totaled \$602,000, \$279,000, \$280,000 and \$377,000, respectively below that budgeted. On the other hand, resources available for appropriations were approximately \$694,000 below the final budgeted amount. Significant variance of revenue items consisted of state sources and operating transfers which were approximately \$923,000 and \$179,000, respectively, below that budgeted.

Figure A-9 – Budget vs. Actual Comparison

<u>Cattaraugus-Little Valley Central School District</u>				
<i>General Fund - Budget vs Actual Comparison (in thousands of dollars)</i>				
	Revised Budget	Actual	Difference	
Revenue				
Local sources	\$ 5,457	\$ 5,865	\$	408
State sources	21,979	21,056		(923)
Operating transfers	300	121		(179)
Total revenue	\$ 27,736	\$ 27,042	\$	(694)
Expenditures				
General support	\$ 4,124	\$ 3,522	\$	602
Instruction	13,318	13,039		279
Transportation	1,925	1,645		280
Employee benefits	4,978	4,601		377
Debt service	4,926	4,824		102
Community services	170	170		-
Interfund transfers	116	146		(30)
Total expenditures	\$ 29,557	\$ 27,947	\$	1,610

**VII. Capital and Right-to-Use Assets and Debt
Administration**

Capital and Right-to-Use Assets

As depicted in Figure A-10, as of June 30, 2024, the District had invested approximately \$55,761,000 in a broad range of capital and right-to-use assets, including reconstruction projects, transportation vehicles and other equipment. Additions made during the year ended June 30, 2024, totaled approximately \$9,884,000 and consisted of costs associated with the District's 2021 capital project, the purchase of new vehicles, a capital outlay project, smart bond act project and right-to-use technology equipment. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Long-term Debt

As depicted in Figure A-11, as of June 30, 2024, the District had approximately \$23,669,000 in bonds, retirement payable, compensated absences, net pension liability and other post-employment benefits, a decrease of approximately 13% as compared with the previous year. The decrease in bonds payable was the result of regularly scheduled principal payments during the current year. The increase in compensated absences was the result of additional employees turning 55 in the current year. The District's NYS Employees' Retirement System and NYS Teachers' Retirement System net pension liabilities both decreased during the current year as a result of actuarial updates. Lastly, other post-employment benefits increased as a result of an actuarial update.

Figure A-10 – Capital and Right-to-Use Assets

<u>Cattaraugus-Little Valley Central School District</u>			
<i>Capital and Right-to-Use Assets (net of depreciation/amortization)</i>			
	Governmental Activities & Total District-wide		
	2024	2023	Change
Land	\$ 262,488	\$ 262,488	0%
Construction-in-progress	16,918,343	9,289,009	82%
Building and improvements	66,298,215	66,198,317	0%
Furniture, equipment & vehicles	9,770,251	8,793,089	11%
Accumulated depreciation/amortization	(37,488,157)	(34,938,644)	7%
Total Capital and Right-to Use Assets, net	\$ 55,761,140	\$ 49,604,259	12%

Figure A-11 – Outstanding Long-term Debt

<u>Cattaraugus-Little Valley Central School District</u>			
<i>Outstanding Long-Term Debt and Liabilities</i>			
	Governmental Activities & Total District-wide		
	2024	2023	Change
Bonds payable	\$ 19,146,134	\$ 22,184,178	-14%
Retirement payable	39,000	81,000	-52%
Compensated absences	689,931	606,736	14%
Net pension liabilities	1,900,919	2,643,665	-28%
Other post-employment benefits	1,892,926	1,694,635	12%
Total Long-Term Debt and Liabilities	\$ 23,668,910	\$ 27,210,214	-13%

**CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Page 9

VIII. Factors Bearing on the District's Future

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

- The District is uncertain as to the level of funding in upcoming years after the Pandemic.
- The 2024-25 New York State budget calls for the Rockefeller Institute to conduct a study to assess the State's Foundation Aid educational funding formula. Modifications to the formula could have an impact on future state aid that is distributed to the District.

IX. Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Cattaraugus-Little Valley Central School District
District Administrative Offices
Attention: Ms. Sally Hadley, Business Executive
25 North Franklin Street
Cattaraugus, New York 14719

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

Schedule 1

Page 10

	2024	2023
Assets		
Cash		
Unrestricted	\$ 7,985,695	\$ 7,251,394
Restricted	5,117,084	4,817,555
Receivables		
State and federal aid	1,424,659	1,273,845
Due from other governments	165,127	1,779,410
Inventories	16,927	21,906
Cash to be used for capital assets	1,416,131	870,376
Capital and right-to-use assets, net	56,830,501	49,604,259
Total assets	<u>72,956,124</u>	<u>65,618,745</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	4,460,392	5,508,163
Deferred outflows related to OPEB	408,817	338,183
Total assets and deferred outflows of resources	<u>\$ 77,825,333</u>	<u>\$ 71,465,091</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 300,633	\$ 628,966
Accrued liabilities	206,779	150,551
Accrued interest	702,000	32,000
Due to other fiduciary funds	-	79
Due to other governments	20,632	20,632
Due to retirement systems	944,663	930,825
Unearned revenue	16,808	17,568
Bond anticipation notes payable	16,290,000	7,700,000
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	3,605,000	3,364,500
Retirement payable	19,000	63,000
Portion due or payable after one year		
Bonds payable	15,541,134	18,819,678
Retirement payable	20,000	18,000
Compensated absences	689,931	606,736
Net pension liability - NYS Employees' Retirement System	1,441,248	1,867,739
Net pension liability - NYS Teachers' Retirement System	459,671	775,926
Other post-employment benefits	1,892,926	1,694,635
Total liabilities	<u>42,150,425</u>	<u>36,690,835</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	1,030,244	508,496
Deferred inflows related to OPEB	256,552	286,768
Total liabilities and deferred inflows of resources	<u>43,437,221</u>	<u>37,486,099</u>
Net Position		
Net investment in capital and right-to-use assets	22,808,522	20,107,869
Restricted	5,117,084	4,817,555
Unrestricted	6,462,506	9,053,568
Total net position	<u>34,388,112</u>	<u>33,978,992</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 77,825,333</u>	<u>\$ 71,465,091</u>

See accompanying independent auditor's report and notes to financial statements.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 2

Page 11

					2024	2023
					Net (Expense)	Net (Expense)
					Revenue and	Revenue and
					Changes in	Changes in
					Net Position	Net Position
	Expenses	Indirect Expenses Allocation	Program Revenues Charges for Services	Operating Grants		
Functions/Programs						
General support	\$ 4,250,745	\$ 369,311	\$ -	\$ 1,053,945	\$ (3,566,111)	\$ (4,059,404)
Instruction	19,576,810	1,561,541	39,016	2,222,771	(18,876,564)	(17,675,370)
Pupil transportation	2,270,426	726,913	-	57,559	(2,939,780)	(2,739,911)
Community services	170,000	-	-	-	(170,000)	(150,000)
Debt service	1,445,927	-	-	-	(1,445,927)	(748,645)
Food service program	519,024	-	33,383	536,681	51,040	(21,481)
Depreciation and amortization	2,657,765	(2,657,765)	-	-	-	-
Total functions and programs	\$ 30,890,697	\$ -	\$ 72,399	\$ 3,870,956	(26,947,342)	(25,394,811)
General Revenues						
Real property taxes					4,982,283	4,985,844
Use of money and property					507,244	259,500
Sale of equipment and compensation for gain (loss)					55,022	266,889
Miscellaneous					755,895	625,685
State sources					21,056,018	20,660,521
Total general revenues					27,356,462	26,798,439
Change in net position					409,120	1,403,628
Net position - beginning of year					33,978,992	32,575,364
Net position - end of year					\$ 34,388,112	\$ 33,978,992

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

Schedule 3

Page 12

	Governmental Funds						2024	2023
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Assets								
Unrestricted cash	\$ 7,629,482	\$ 26,772	\$ 233,663	\$ -	\$ -	\$ -	\$ 7,889,917	\$ 7,172,470
Restricted cash	2,580,854	-	-	2,468,781	1,416,131	163,227	6,628,993	5,766,855
Due from other funds	848,441	-	-	148,004	260,698	-	1,257,143	826,037
State and federal aid receivable	672,718	719,045	32,896	-	-	-	1,424,659	1,273,845
Due from other governments	62,775	102,352	-	-	-	-	165,127	1,779,410
Inventories	-	-	16,927	-	-	-	16,927	21,906
Total assets	<u>\$ 11,794,270</u>	<u>\$ 848,169</u>	<u>\$ 283,486</u>	<u>\$ 2,616,785</u>	<u>\$ 1,676,829</u>	<u>\$ 163,227</u>	<u>\$ 17,382,766</u>	<u>\$ 16,840,523</u>
Liabilities and Fund Equity								
Liabilities								
Accounts payable	\$ 172,183	\$ 16,539	\$ 414	\$ -	\$ 110,210	\$ 1,287	\$ 300,633	\$ 628,966
Accrued liabilities	198,785	5,332	2,662	-	-	-	206,779	150,551
Bond anticipation notes payable	-	-	-	-	16,290,000	-	16,290,000	7,700,000
Due to other funds	216,597	799,526	-	88,556	152,464	-	1,257,143	826,116
Unearned revenue	10,668	6,140	-	-	-	-	16,808	17,568
Due to other governments	-	20,632	-	-	-	-	20,632	20,632
Due to Teachers' Retirement System	820,965	-	-	-	-	-	820,965	834,073
Due to Employees' Retirement System	123,698	-	-	-	-	-	123,698	96,752
Total liabilities	<u>1,542,896</u>	<u>848,169</u>	<u>3,076</u>	<u>88,556</u>	<u>16,552,674</u>	<u>1,287</u>	<u>19,036,658</u>	<u>10,274,658</u>
Fund Equity								
Nonspendable	-	-	16,927	-	-	-	16,927	21,906
Restricted	2,588,855	-	-	2,528,229	-	-	5,117,084	4,817,555
Committed	-	-	-	-	-	161,940	161,940	165,443
Assigned	2,718,092	-	263,483	-	-	-	2,981,575	1,856,493
Unassigned (deficit)	4,944,427	-	-	-	(14,875,845)	-	(9,931,418)	(295,532)
Total fund equity (deficit)	<u>10,251,374</u>	<u>-</u>	<u>280,410</u>	<u>2,528,229</u>	<u>(14,875,845)</u>	<u>161,940</u>	<u>(1,653,892)</u>	<u>6,565,865</u>
Total liabilities and fund equity	<u>\$ 11,794,270</u>	<u>\$ 848,169</u>	<u>\$ 283,486</u>	<u>\$ 2,616,785</u>	<u>\$ 1,676,829</u>	<u>\$ 163,227</u>	<u>\$ 17,382,766</u>	<u>\$ 16,840,523</u>

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 4

Page 13

	Governmental Funds						2024	2023
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Revenue								
Real property taxes	\$ 4,982,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,982,283	\$ 4,985,844
Use of money and property	422,969	-	2,006	84,275	-	-	509,250	260,395
Charges for services	39,016	-	-	-	-	-	39,016	23,095
Sale of property compensation for gain	55,022	-	-	-	-	-	55,022	266,889
Miscellaneous	365,757	-	-	205,106	-	185,032	755,895	625,685
State sources	21,056,018	781,617	110,111	-	-	-	21,947,746	21,364,942
Federal sources	-	2,552,658	394,203	-	-	-	2,946,861	2,338,792
Surplus food	-	-	32,367	-	-	-	32,367	40,568
Sales (school food service)	-	-	31,377	-	-	-	31,377	69,065
Total revenue	26,921,065	3,334,275	570,064	289,381	-	185,032	31,299,817	29,975,275
Expenditures								
General support	3,521,485	1,053,945	32,006	-	-	-	4,607,436	3,500,298
Instruction	13,038,443	1,805,937	-	-	-	-	14,844,380	14,448,962
Pupil transportation	1,645,069	57,559	-	-	102,841	-	1,805,469	2,336,426
Community services	170,000	-	-	-	-	-	170,000	150,000
Employee benefits	4,601,261	430,814	2,368	-	-	-	5,034,443	4,480,620
Debt service								
Principal	3,574,500	-	-	-	-	-	3,574,500	3,175,000
Interest	1,249,471	-	-	-	-	-	1,249,471	1,077,097
Capital outlay	-	-	-	-	8,570,690	-	8,570,690	7,496,050
Cost of sales	-	-	476,596	-	-	-	476,596	406,173
Other expenses	-	-	8,054	-	-	188,535	196,589	250,647
Total expenditures	27,800,229	3,348,255	519,024	-	8,673,531	188,535	40,529,574	37,321,273
Excess (deficiency) of revenue over expenditures	(879,164)	(13,980)	51,040	289,381	(8,673,531)	(3,503)	(9,229,757)	(7,345,998)
Other sources and uses								
BANs redeemed from appropriations	-	-	-	-	210,000	-	210,000	-
Proceeds from serial bond issuance	-	-	-	-	800,000	-	800,000	634,500
Proceeds from the refunding of bonds	-	-	-	-	-	-	-	7,263,000
Payment for the refunding of bonds	-	-	-	-	-	-	-	(7,263,000)
Operating transfers in	121,163	46,587	-	-	99,898	-	267,648	180,960
Operating transfers out	(146,485)	(32,607)	-	(88,556)	-	-	(267,648)	(180,960)
Total other sources (uses)	(25,322)	13,980	-	(88,556)	1,109,898	-	1,010,000	634,500
Excess (deficiency) of revenue and other sources over expenditures and other uses	(904,486)	-	51,040	200,825	(7,563,633)	(3,503)	(8,219,757)	(6,711,498)
Fund equity (deficit), beginning of year	11,155,860	-	229,370	2,327,404	(7,312,212)	165,443	6,565,865	13,277,363
Fund equity (deficit), end of year	\$ 10,251,374	\$ -	\$ 280,410	\$ 2,528,229	\$ (14,875,845)	\$ 161,940	\$ (1,653,892)	\$ 6,565,865

See accompanying independent auditor's report and notes to financial statements.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION – PRIVATE PURPOSE TRUSTS
AS OF JUNE 30, 2024

Schedule 5

Page 14

	2024	2023
Assets		
Cash	\$ 93,160	\$ 97,752
Investments	148,868	144,537
Due from other funds	-	79
Total assets	<u>\$ 242,028</u>	<u>\$ 242,368</u>
Liabilities		
Total liabilities	\$ -	\$ -
Net Position		
Reserved for scholarships	<u>242,028</u>	<u>242,368</u>
Total liabilities and net position	<u>\$ 242,028</u>	<u>\$ 242,368</u>

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT**Schedule 6****STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—PRIVATE PURPOSE TRUSTS
FOR THE YEAR ENDED JUNE 30, 2024****Page 15**

	6/30/2024	6/30/2023
Additions		
Gifts and contributions	\$ 7,106	\$ 5,910
Interest earnings	7,734	5,143
Total additions	14,840	11,053
Deductions		
Scholarships awarded	15,180	13,075
Change in net position	(340)	(2,022)
Net position - beginning of year	242,368	244,390
Net position - end of year	<u>\$ 242,028</u>	<u>\$ 242,368</u>

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

Total fund balances - governmental funds \$ (1,653,892)

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

Capital and right-to-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital and right-to-use assets consist of the following at year-end:

Cost of the assets	\$ 94,318,658	
Accumulated depreciation/amortization	<u>(37,488,157)</u>	56,830,501

Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due. (702,000)

Net deferred inflows/outflows of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, pension expense is based on required contributions. 3,430,148

Net deferred inflows/outflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, OPEB expense is based on required contributions. 152,265

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

Bonds payable	(19,146,134)	
Retirement payable	(39,000)	
Compensated absences	(689,931)	
Net pension liability - ERS	(1,441,248)	
Net pension liability - TRS	(459,671)	
Other post-employment benefits	<u>(1,892,926)</u>	(23,668,910)

Total net position - governmental activities \$ 34,388,112

	Total Governmental Funds	Long-term Asset & Outflow Transactions	Long-term Liability & Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	\$ 14,518,910	\$ -	\$ -	\$ (1,416,131)	\$ 13,102,779
Due from other funds	1,257,143	-	-	(1,257,143)	-
State and federal aid receivable	1,424,659	-	-	-	1,424,659
Due from other governments	165,127	-	-	-	165,127
Inventories	16,927	-	-	-	16,927
Cash to be used for capital assets	-	-	-	1,416,131	1,416,131
Capital and right-to-use assets, net	-	56,830,501	-	-	56,830,501
Total assets	17,382,766	56,830,501	-	(1,257,143)	72,956,124
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	4,460,392	-	-	4,460,392
Deferred outflows related to OPEB	-	408,817	-	-	408,817
Total assets and deferred outflows of resources	\$ 17,382,766	\$ 61,699,710	\$ -	\$ (1,257,143)	\$ 77,825,333
Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position					
Liabilities					
Accounts payable	\$ 300,633	\$ -	\$ -	\$ -	\$ 300,633
Accrued liabilities	206,779	-	-	-	206,779
Accrued interest	-	-	702,000	-	702,000
Due to other funds	1,257,143	-	-	(1,257,143)	-
Unearned revenue	16,808	-	-	-	16,808
Due to other governments	20,632	-	-	-	20,632
Due to retirement systems	944,663	-	-	-	944,663
Bond anticipation notes payable	16,290,000	-	-	-	16,290,000
Bonds payable	-	-	19,146,134	-	19,146,134
Retirement payable	-	-	39,000	-	39,000
Compensated absences	-	-	689,931	-	689,931
Net pension liability - ERS	-	-	1,441,248	-	1,441,248
Net pension liability - TRS	-	-	459,671	-	459,671
Other post-employment benefits	-	-	1,892,926	-	1,892,926
Total liabilities	19,036,658	-	24,370,910	(1,257,143)	42,150,425
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	1,030,244	-	1,030,244
Deferred inflows related to OPEB	-	-	256,552	-	256,552
Total liabilities and deferred inflows of resources	19,036,658	-	25,657,706	(1,257,143)	43,437,221
Fund equity/net position	(1,653,892)	61,699,710	(25,657,706)	-	34,388,112
Total liabilities, deferred inflows of resources and fund equity/net position	\$ 17,382,766	\$ 61,699,710	\$ -	\$ (1,257,143)	\$ 77,825,333

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds \$ (8,219,757)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. Activity for the current fiscal year ended was as follows:

Capital outlays	\$ 9,884,007	
Depreciation/amortization expense	<u>(2,657,765)</u>	7,226,242

Repayment of bond principal, including refunding, is an expenditure in the governmental funds, but the repayment reduces long-term and short-term liabilities in the government-wide financial statements. Also, interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. In addition, premiums on debt obligations are recorded as revenue in the governmental funds and amortized and applied against interest expense in the statement of activities.

3,168,044

Proceeds from the issuance of long-term debt, including refunding, are recorded as revenue (other sources) in the governmental funds, whereas in the government-wide financial statements such proceeds are recorded as a long-term liability.

(800,000)

District's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds, pension expense is based on the District's contribution to pension plans.

(826,773)

District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds, OPEB expense is based on the District's contribution to the OPEB plan.

(97,441)

In the statement of activities, certain operating expenses - compensated absences and special termination benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences and special termination benefits changed by this amount.

(41,195)

Change in net position of governmental activities

\$ 409,120

	Total Governmental Funds	Long-term Asset & Outflow Transactions	Long-term Liability & Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	\$ 4,982,283	\$ -	\$ -	\$ -	\$ 4,982,283
Use of money and property	509,250	-	-	(2,006)	507,244
Charges for services	39,016	-	-	(39,016)	-
Sale of property/compensation for gain	55,022	-	-	-	55,022
Miscellaneous	755,895	-	-	-	755,895
State sources	21,947,746	-	-	(891,728)	21,056,018
Federal sources	2,946,861	-	-	(2,946,861)	-
Surplus food	32,367	-	-	(32,367)	-
Sales (school food service)	31,377	-	-	(31,377)	-
Total revenue	31,299,817	-	-	(3,943,355)	27,356,462
Expenditures					
General support	4,607,436	(580,670)	(265)	(460,390)	3,566,111
Instruction	14,844,380	1,331,620	33,242	2,667,322	18,876,564
Pupil transportation	1,805,469	624,072	8,218	502,021	2,939,780
Community services	170,000	-	-	-	170,000
Employee benefits	5,034,443	-	924,214	(5,958,657)	-
Debt service	4,823,971	-	(3,378,044)	-	1,445,927
Capital outlay	8,570,690	(8,601,264)	-	30,574	-
Cost of sales	476,596	-	-	(527,636)	(51,040)
Other expenses	196,589	-	-	(196,589)	-
Total expenditures	40,529,574	(7,226,242)	(2,412,635)	(3,943,355)	26,947,342
Excess (deficiency) of revenue over expenditures	(9,229,757)	7,226,242	2,412,635	-	409,120
Other sources and uses					
Operating transfers in	267,648	-	-	(267,648)	-
Operating transfers out	(267,648)	-	-	267,648	-
BANs redeemed from appropriations	210,000	-	(210,000)	-	-
Proceeds from issuance of serial bonds	800,000	-	(800,000)	-	-
Total other sources (uses)	1,010,000	-	(1,010,000)	-	-
Net change for year	\$ (8,219,757)	\$ 7,226,242	\$ 1,402,635	\$ -	\$ 409,120

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

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

A. Reporting Entity

The financial statements include all funds and account groups of the School District as well as the component units and other organizational entities determined to be includable in the School District's financial reporting entity.

The decision to include a potential component unit in the School 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:

Extraclassroom Activity Funds

The extraclassroom activity fund of the District represents funds of the students of the School District. The Board of Education exercises general oversight of these funds and has adopted the guidance prescribed by the NYS Education Department for safeguarding, accounting and auditing of extraclassroom activity funds. As a result, these funds do not meet the criteria required to be reported as fiduciary funds and are reported in a governmental fund. The cash and investment balances as well as revenues and expenditures are reported in a miscellaneous special revenue fund of the District. The audited financial statements (cash basis) of the extraclassroom activity funds are available at the District's offices.

B. Joint Venture

The **Cattaraugus-Little Valley Central School District** is one of 22 component school districts in the Cattaraugus-Allegany Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Joint Venture (continued)

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of the administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year, the District was billed \$5,779,000 for BOCES administration, program and capital costs. The District's share of BOCES aid, rental charges and refunds amounted to \$2,477,000 for the year ended June 30, 2024. Financial statements for the Cattaraugus-Allegany BOCES are available at the BOCES administrative offices in Olean, New York.

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 double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (continued)

1. District-Wide Statements (continued)

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

2. Fund Financial Statements

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

The District reports the following major governmental fund types:

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

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

Food Service – is used to account for the all revenue and expenditures pertaining to the cafeteria operations.

Capital Projects - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. The fund is also utilized to account for the purchase of transportation vehicles.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

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

Miscellaneous Special Revenue – is used to account for and report those revenues that are restricted and committed to expenditures for the student activity funds.

Fiduciary Fund Types - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. The District reports private purpose trusts as fiduciary fund types.

D. Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (continued)

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 and right-to-use asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

E. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. 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.

F. Investments

Investments are stated at the lower of cost or current market value.

G. Inventory

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase.

H. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2004. For assets acquired prior to June 30, 2004, estimated historical costs, based on an appraisal conducted by independent third-party professionals was used. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and improvements	\$ 3,500	Straight-line	40 years
Site improvements	3,500	Straight-line	25-30 years
Furniture and equipment	3,500	Straight-line	5-20 years
Transportation vehicles	3,500	Straight-line	8 years

I. Deferred Outflows and Inflows of Resources

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

The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Next is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. Lastly, the third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in assumptions and benefits paid subsequent to the measurement date.

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. The District has two items that qualify for reporting in this category.

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FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows and Inflows of Resources (continued)

The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS and TRS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs and differences between expected and actual experiences.

J. Due To/From Other Funds

The amounts reported on the Statement of Net Position for due to and from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

K. Long-Term Debt

The liabilities reported as long-term liabilities include the School District's general obligation bonds, most obligations under lease/purchase and other financing arrangements, certain pension contributions and other long-term liabilities including vacation leave, sick leave, litigation, and other (i.e. workers' compensation, insurance-related liabilities pertaining to the Governmental Funds).

L. Unearned revenue

Unearned revenue is reported on the District's combined balance sheet. Unearned revenue arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

Sick Leave and Retirement Incentive Pay - certain of the District's employee groups have negotiated retirement incentive benefits payable based on accumulated unused sick days. Generally, the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems.

The District has recorded an estimated liability in the government-wide financial statements amounting to approximately \$689,931 to recognize the cost of the incentive benefits for those employees eligible to receive such a benefit. Payment of these benefits is dependent on many factors; therefore, the timing of future payments is not readily determinable. The District believes sufficient resources and budgetary appropriations will be available as the benefits become payable in future years. The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the District-wide financial statements.

N. Post-Employment Benefits

In addition to the retirement benefits described in Note 3IV, the District provides post-employment health insurance coverage to certain retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. In addition to the health coverage, the District provides retirement incentives in the form of salary to its employees. Such a payout is dictated by a predetermined formula and the employees must meet certain conditions and provisions as outlined in the employment contract.

O. Fund Equity

1. Governmental Funds

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below:

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (continued)

1. Governmental Funds (continued)

A. Nonspendable

Fund balance associated with assets that are inherently nonspendable in the current period because of their form or because they must be maintained intact, including inventories, prepaids, long-term loans and notes receivable, and property held for relate (unless the proceeds are restricted, committed, or assigned). Nonspendable Fund Balance includes the following category:

1. Inventory Reserve

This reserve is used to limit the investment in inventory and to restrict that portion of fund balance which is unavailable for appropriation. This reserve is accounted for in the School Food Service Fund.

B. Restricted

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation. Restricted Fund Balance includes the following categories:

1. Reserve for Unemployment

This reserve is used to accumulate funds to pay the cost of reimbursement to the New York State Unemployment Insurance Fund for payments made to claimants. 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 be either transferred to another reserve or the excess applied to the appropriations next succeeding fiscal year's budget. If the District elects to convert to tax basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is recorded in the General Fund.

2. Employee Retirement Contribution Reserve

This reserve is used to accumulate funds for employee retirement system contributions. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

3. Teachers Retirement Contribution Reserve

This reserve is used to accumulate funds for teacher's retirement system contributions and has limits of 2% annually and 10% in total of teacher retirement system salaries. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

4. Reserve for Repairs

This reserve is used to accumulate funds to finance future costs of major repairs to capital improvements or equipment. Voter authorization is required to fund this reserve. Expenditures from this reserve may be made only after a public hearing has been held. In an emergency, expenditures may be made from the reserve fund without a public hearing with approval of two-thirds of the Board of Education. The emergency expenditure must be repaid within the next two succeeding years. This reserve is accounted for in the General Fund.

5. Reserve for Employee Benefits

The purpose of this reserve is to reserve funds for the payment of any accrued employee benefit due an employee upon termination of service. This reserve fund may be established by a majority vote of the Board of Education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

6. Reserve for Debt Service

This reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations, and remaining bond proceeds not to be utilized for the intended purpose. These reserves are accounted for in the Debt Service Fund.

7. Reserve for Capital

This reserve is used to accumulate funds to finance all or a portion of future capital projects and bus purchases for which bonds may be issued. Voter authorization is required for both the establishment of the reserves and payments from the reserves. These reserves are accounted for in the General Fund.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

8. Reserve for Endowment Scholarships

This reserve is used to account for endowments, scholarships and other funds held in trust by the School District. These monies and earnings must be used for the specific purpose of the original contribution.

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the fund balance of the extraclassroom activities as committed fund balance as of June 30, 2024.

D. Assigned

Fund balance intended to be used by the District for specific purposes but does not meet the criteria to be restricted or committed. Along with the District's Board of Education, the Business Manager and Treasurer has been authorized to assign fund balance amounts for specific purposes through the establishment of an encumbrance.

1. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund. If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. If resources have not already been restricted or committed, amounts encumbered are considered assigned for the purpose of the expected expenditure. Reserve for encumbrances totaled \$247,772 as of June 30, 2024.

2. Appropriated Fund Equity

General Fund - The amount of \$2,470,320 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2025 as allowed by Section 1318 of the Real Property Tax Law.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (continued)

1. Governmental Funds (continued)

E. Unassigned

The residual classification of the general fund and includes all spendable amounts not contained in the other classifications.

2. Government-Wide Financial Statements

A. Net Investment in Capital and Right-to-Use Assets

This designation of net position is used to accumulate the capital and right-to-use asset balance in the statement of net position less accumulated depreciation/amortization and outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

B. Restricted

This category represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.

C. Unrestricted

This category represents net position of the District not restricted for any other purpose.

3. Order of Fund Balance Spending Policy

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- a. Restricted fund balance for which specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation, specifically designating funds to the expenditure;
- b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- e. Unassigned fund balance.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

- a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.
- b) The proposed appropriations budget is approved by the voters within the District.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year-end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the current year, the District had no supplemental appropriations.

2. Budget Basis for Accounting

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

The budget and actual comparison for the Food Service Fund reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

Budgetary controls for the special aid fund and capital funds are established in accordance with the applicable grant agreement or authorized project limit which may cover a period other than the District's fiscal year. Consequently, the budgets for such funds have been excluded from the combined schedule of revenue, expenditures and changes in fund equity - budget and actual.

Q. Property Taxes

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Property Taxes (continued)

2. Enforcement

Uncollected real property taxes are subsequently enforced by the County, in which the School District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1.

R. Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers to provide services and construct assets.

S. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses.

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

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

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS (CONTINUED)**

**A. Total Fund Equity of Governmental Funds vs. Net
Position of Governmental Activities**

Total fund equity of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

**B. Statement of Revenues, Expenditures and
Changes in Fund Equity vs. Statement of
Activities**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities fall into one of five broad categories. These categories are more fully explained below:

1. Long-term Revenue Differences

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

2. Long-term Asset Transaction Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital and right-to-use items in the governmental fund statements and depreciation/amortization expense on those items as recorded in the Statement of Activities.

3. Long-term Liability Transaction Differences

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

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS (CONTINUED)**

**B. Statement of Revenues, Expenditures and
Changes in Fund Equity vs. Statement of
Activities (continued)**

4. Pension Differences

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

5. OPEB Differences

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS

I. Cash and Investments

The **Cattaraugus-Little Valley Central School District's** investment policies are governed by State statutes. School District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. While the District does not have a specific policy with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2024, the District's bank deposits were fully collateralized.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit 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 School Districts.

A. Deposits

Deposits are valued at cost- or cost-plus interest and are categorized as either:

- (1) Insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the entity or by the agent in the entity's name;

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

I. Cash and Investments (continued)

A. Deposits (continued)

- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name;

- (3) Uncollateralized

Total financial institution (bank) balances at June 30, 2024 per the bank were approximately \$15,093,000. These deposits are categorized as follows:

<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Value</u>
\$9,417,000	\$5,251,000	\$ 425,000	\$15,093,000

B. Investments

Investments are stated at the lower of cost-plus accrued interest or market and are categorized as either:

- (1) Insured or registered, or investments are held by the School District or by the School District's agent in the School District's name.
- (2) Uninsured and unregistered, with the investments held by the financial institutions trust department in the School District's name,
- (3) Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the School District's name.

<u>Private purpose trust</u>	<u>Market Value</u>
NYClass Investments	<u>\$ 148,868</u>

These investments are held in the District's name. The market value of the investments as of June 30, 2024, are based on unadjusted quoted prices in active markets for identical assets and liabilities.

II. Receivables

Receivables at June 30, 2024 consisted of the following, which are stated at gross value. District management has deemed the amounts to be fully collectible.

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Food Service	State and Federal Aid	\$ 32,896
Special Aid	State and Federal Aid	719,045
Special Aid	Due from Other Governments	102,352
General	State and Federal Aid	672,718
General	Due from Other Governments	62,775
General	Other receivables	-
		<u>\$ 1,589,786</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

III. Capital and Right-to-Use Assets

A. Capital Assets

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance 6/30/23</u>	<u>Change</u>	<u>Ending Balance 6/30/24</u>
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 262,488	\$ -	\$ 262,488
Construction in progress	9,289,009	8,698,695	17,987,704
Capital assets that are depreciated:			
Buildings and improvements	66,198,317	99,898	66,298,215
Furniture and equipment	7,891,815	893,672	8,785,487
Total historical cost	83,641,629	9,692,265	93,333,894
Less accumulated depreciation:			
Buildings and improvements	29,084,254	1,776,657	30,860,911
Furniture and equipment	5,584,489	686,745	6,271,234
Total accumulated depreciation	34,668,743	\$ 2,463,402	37,132,145
Total net book value	<u>\$ 48,972,886</u>		<u>\$56,201,749</u>

B. Depreciation and Amortization

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

General support	\$ 369,311
Instruction	1,561,541
Pupil transportation	726,913
	<u>\$ 2,657,765</u>

C. Right-to-Use Assets

The District reported right-to-use assets net of amortization as of June 30, 2024 and 2023 in the amount of \$628,752 and \$631,373, respectively. More information related to the right-to-use assets is disclosed in Note 7.

D. Additions

Total additions during the current year amounted to \$9,884,007.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

IV. Interfund Transactions

Interfund balances at June 30, 2024 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 848,441	\$ 216,597
Special Aid Fund	-	799,526
School Lunch Fund	-	-
Debt Service Fund	148,004	88,556
Capital Projects Fund	260,698	152,464
Private Purpose Trust Fund	-	-
Total	<u>\$ 1,257,143</u>	<u>\$ 1,257,143</u>

Interfund transfers consisted of the following during the fiscal year ended June 30, 2024:

	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General Fund	\$ 121,163	\$ 146,485
Capital Project Fund	99,898	-
Debt Service Fund	-	88,556
Special Aid Fund	46,587	32,607
Total	<u>\$ 267,648</u>	<u>\$ 267,648</u>

During the current year, the District transferred \$46,587 from the general fund to the special aid fund as the local share of the summer handicapped program. The District transferred \$32,607 from the special aid fund to the general fund related to the special integrated pre-school classroom. The District transferred \$99,898 from the general fund to the capital project fund for a capital outlay project. Lastly, the District transferred \$88,556 from the debt service fund to the general fund related to premiums on bond anticipation notes.

V. Liabilities

A. Pension Plans

1. Plan Descriptions and Benefits Provided

a. Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided
(continued)

a. Teachers' Retirement System (TRS)
(continued)

is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nysstrs.org.

b. Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in 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. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

2. Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent 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 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

		ERS		TRS
2024	\$	403,000	\$	743,000
2023		334,000		764,000
2022		448,000		702,000

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, 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, 2024 for ERS and June 30, 2023 for TRS. The total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

		ERS 3/31/2024	TRS 6/30/2023
Actuarial measurement date			
Net pension asset (liability)	\$	(1,441,248)	\$ (459,671)
District's portion of the Plan's total net pension asset (liability)		.0097884%	.040196%

For the year ended June 30, 2024, the District's recognized pension expense of \$710,422 for ERS and \$1,288,449 for TRS. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 464,225	\$ 1,114,580	\$ 39,299	\$ 2,755
Changes of assumptions	544,903	989,658	-	215,691
Net difference between projected and actual earnings on pension plan investments	-	234,975	704,042	-
Changes in proportion and differences between the Districts contributions and proportionate share of contributions	220,579	24,720	4,941	63,516
District's contributions subsequent to the measurement date	123,698	743,054	-	-
Total	\$ 1,353,405	\$ 3,106,987	\$ 748,282	\$ 281,962

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS (CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

	ERS	TRS
Year ending:		
2025	\$ (185,653)	\$ 172,581
2026	343,236	(242,746)
2027	454,600	1,838,759
2028	(130,758)	134,599
2029	-	108,700
Thereafter	-	70,078

4. Actuarial Assumptions

The total pension asset (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:

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/24	6/30/23
Actuarial valuation date	4/1/23	6/30/22
Interest rate	5.9%	6.95%
Salary scale	4.4% average	1.95% - 5.18%
	4/1/15 - 3/31/20	7/1/15 - 6/30/20
	System's	System's
Decrement tables	Experience	Experience
Inflation rate	2.9%	2.4%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

4. Actuarial Assumptions (continued)

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active members' mortality rates are based on plan members' experience.

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

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

Measurement date	ERS 3/31/24	Expected Rate of Return	TRS 6/30/23	Expected Rate of Return
Asset Type:				
Domestic equity	32%	4.00%	33%	6.80%
International equity	15%	6.65%	15%	7.70%
Global equity	-%	-%	4%	7.20%
Private equity	10%	7.25%	9%	10.10%
Real Estate	9%	4.60%	11%	6.30%
Opportunistic/ARS portfolio	3%	5.25%	-%	-%
Credit	4%	5.40%	-%	-%
Real assets	3%	5.79%	-%	-%
Domestic fixed income	-%	-%	16%	2.20%
Global Bonds	-%	-%	2%	1.60%
Real estate debt	-%	-%	6%	3.20%
Private debt	-%	-%	2%	6.00%
High-yield fixed income	-%	-%	1%	4.40%
Fixed Income	23%	1.50%	-%	-%
Cash	1%	.25%	1%	.30%
Total:	100%		100%	

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

5. Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (4,531,431)	\$ (1,441,248)	\$ 1,139,696

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ (7,001,022)	\$ (459,671)	\$ 5,041,888

7. Pension Plan Fiduciary Net Position

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

Measurement date	(Dollars in Thousands)	
	ERS 3/31/24	TRS 6/30/23
Employers' total pension liability	\$ 240,696,851	\$ 138,365,122
Plan net position	\$ 225,972,801	\$ 137,221,537
Employers' net pension asset (liability)	\$ (14,724,050)	\$ (1,143,585)
Ratio of plan net position to be Employers' total pension asset (liability)	93.88%	99.20%

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

A. Pension Plans (continued)

8. 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, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$123,698.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 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, 2024 amounted to \$820,965 (employer contribution \$743,054 and employee contributions of \$77,911).

B. Other Post-Employment Benefits

Plan Description

The District maintains a single employer defined benefit healthcare plan (the Plan). The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefit provisions are based on bargaining agreements as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility for the Plan is established by the District and specified in the District's employment contracts.

Employees Covered by Benefit Terms

For the fiscal year ended June 30, 2024 the plan had total active employees of 205 and retirees of 28.

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Total OPEB Liability

The District's total OPEB liability of \$1,892,926 was measured as of July 1, 2023 and was determined by an actuarial valuation on July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% per year
Salary increases	Based on experience and NYSTRS valuation as of June 30, 2021
Discount rate	4.13% as of June 30, 2024
Healthcare cost trend rates	2024 – 8.0%. Rates will decrease 0.5% each year thereafter with an ultimate rate of 4.5% after 2029.
Retirees' share of benefit-related costs	Teacher and Administrator Retirees pay the full cost of coverage. Classified Staff and Bus Drivers are required to pay the portion of the premium not covered under the District's explicit subsidy.

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds.

Mortality rates were based on Pub-2010 Mortality Tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability

Service cost	\$	88,344
Interest		71,830
Differences between expected and actual experience		30,193
Changes in assumptions		61,934
Benefit payments		(54,010)
Net changes		198,291
Net OPEB liability – beginning of year		1,694,635
Net OPEB liability – end of year	\$	1,892,926

Changes of assumptions and other inputs reflect a change in the discount rate from 4.09% as of June 30, 2023 and 4.13% as of June 30, 2024. Health care trend rate from 7.5%-4.5% in 2023 to 8.0% to 4.5% in 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) that the current discount rate:

	1% Decrease (3.13%)	Current Assumption (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 2,036,992	\$ 1,892,926	\$ 1,758,625

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 rates:

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates (continued)

	1% Decrease (initial rate of 7.0% decreasing by .5% annually until reaching 3.5%)	Current Assumption (initial rate of 8.0% decreasing by .5% annually until reaching 4.5%)	1% Increase (initial rate of 9.0% decreasing by .5% annually until reaching 5.5%)
Total OPEB liability	\$ 1,701,580	\$ 1,892,926	\$ 2,115,110

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

For the year ended June 30, 2024, the District recognized OPEB expense in the amount of \$170,063. At June 30, 2024, 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	\$ 27,174	\$ 211,119
Changes in assumptions	309,021	45,433
District's contributions subsequent to the measurement date	72,622	-
Total	\$ 408,817	\$ 256,552

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

Year ending:	
2025	\$ 9,889
2026	9,889
2027	9,889
2028	9,889
2029	9,889
Thereafter	30,198

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

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

On July 14, 2022, the District issued BANs in the amount of \$7,700,000. The BANs carried an interest rate of 3.75% and matured on July 14, 2023. On July 13, 2023, the District issued new bond anticipation notes in the amount of \$16,290,000 (including a premium of \$147,998) related to its 2021 capital improvement project. The notes carry an interest rate of 4.75% and mature on July 11, 2024. BANs redeemed from appropriations totaled \$210,000 during the year ended June 30, 2024.

b. Short-Term Debt Interest

There was \$288,750 of interest incurred on short-term debt during the fiscal year ended June 30, 2024.

2. Long-Term Debt

a. Debt Limit

At June 30, 2024, the total outstanding indebtedness represented approximately 65% of the District's debt limit.

b. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements or for the purchase of vehicles. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of capital assets.

c. Long-Term Debt Interest

Interest expenditures for long-term debt are recognized on a cash basis, when amounts become due and payable. The District recognized \$960,721 of expenditures for long-term debt interest during the year ended June 30, 2024.

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Bond Premiums and Amortization

Premiums resulting from bond and other debt refinancing are being amortized over the life of the related debt using the effective interest rate method.

e. Changes

The School District's indebtedness, as of June 30, 2024 and 2023 are summarized as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Balance</u> <u>June 30, 2023</u>
Serial bonds	\$ 19,146,134	\$ 22,184,178
Retirement payable	39,000	81,000
Compensated absences	689,931	606,736
Net pension liabilities	1,900,919	2,643,665
OPEB	1,892,926	1,694,635
	<u>\$ 23,668,910</u>	<u>\$ 27,210,214</u>

During the current year the District principal payments on serial bonds in the amount of \$3,364,500 during the current year. The amortization in the amount of \$473,544 was recorded on bond premiums acquired in previous years. The District issued new bonds for the purchase of buses in the amount of \$800,000. The net change in compensated absences was an increase of \$83,195, whereas the retirement payable had a decrease of \$42,000 during the fiscal year ended June 30, 2024. The net change in other post-employment benefits liability was an increase of \$198,291 during the fiscal year ended June 30, 2024. The ERS and TRS net pension liabilities decreased by \$742,746 during the current year related to actuarial updates.

f. Refunding of Bonds

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

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

g. Summary

The following is a summary of maturity of indebtedness:

<u>Description</u>	<u>Outstanding June 30, 2024</u>
Serial Bonds, issued 6/14/12 with maturity date of 6/14/38, bonds carry interest at 3%-4%. Partially refunded with 2022 DASNY serial bonds.	\$ 1,625,000
Serial Bonds issued 7/26/23 with maturity date of 7/15/28, bonds carry interest at 4.25%-4.375%	800,000
Serial Bonds issued 6/15/19 with maturity date of 6/15/30, bonds carry interest at 3%-5%	9,655,000
Serial Bonds issued 7/22/19 with maturity date of 7/15/25, bonds carry interest at 2.0%	110,000
Serial Bonds issued 8/6/20 with maturity date of 8/1/25, bonds carry interest up to 1.375%	170,000
Serial Bonds, issued 8/6/21 with maturity date of 7/15/26, bonds carry interest at 1.00%-1.20%	175,000
Serial Bonds, issued 8/4/22 with maturity date of 7/15/27, bonds carry interest at 3.25%-3.50%	510,000
Serial Bonds Refunding 2022A, DASNY, issued 8/4/22 with maturity date of 6/15/33, bonds carry interest at 5.0%	4,440,000
Subtotal	17,485,000
Unamortized bond premiums	1,661,134
	<u>\$ 19,146,134</u>

g. Maturity

The following is the amortization schedule for the long-term liability for serial bonds.

<u>Year</u>	<u>Principal payments</u>	<u>Interest payments</u>
2025	\$ 3,605,000	\$ 820,583
2026	2,645,000	653,092
2027	2,715,000	529,854
2028	2,075,000	399,894
2029	2,035,000	301,359
2030-2034	3,085,000	546,750
2035-2038	1,325,000	135,200
Totals	<u>\$ 17,485,000</u>	<u>\$ 3,386,732</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

VI. Fund Equity

A. Classification

The District's fund equity is comprised of various components.

<u>Category / Fund</u>	<u>Description</u>	<u>Balance June 30, 2024</u>
Nonspendable:		
Food Service	Inventory	<u>\$ 16,927</u>
Restricted:		
General	Employee benefits accrued liability reserve	\$ 701,578
	Reserve for repairs	166,364
	Capital reserve	635,120
	Reserve for retirement system credit	511,089
	Reserve for teachers retirement system	419,455
	Reserve for unemployment	<u>155,249</u>
		<u>\$ 2,588,855</u>
Debt Service	Reserve for debt service	<u>\$ 2,528,229</u>
Private Purpose Trust	Reserve for endowment scholarships	<u>\$ 242,028</u>
Committed:		
Miscellaneous Special Revenue	Student Activities	<u>\$ 161,940</u>
Assigned:		
General	Appropriated Fund Balance	\$ 2,470,320
	Encumbrances	<u>247,772</u>
		<u>\$ 2,718,092</u>
Food Service	Fund Balance	<u>\$ 263,483</u>

B. Assigned – Appropriated Fund Balance

General Fund - The amount of \$2,470,320 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2025 as allowed by Section 1318 of the Real Property Tax Law.

C. District-Wide Net Position

Net position of the District include restricted net position of \$5,117,084 which represent restricted amounts in the general and debt service funds as presented above.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

VI. Fund Equity (continued)

D. Deficit Fund Balance

The District's capital project fund had an accumulated deficit in the amount of \$14,875,845 as of June 30, 2024. It is not uncommon for school districts to have deficit balances in the capital project funds as a result of short-term debt being recorded as a liability until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue. In addition, the District had expenditures related to its smart bond act project which it anticipates will be reimbursed by New York State Education Department, at which time it will be recognized as revenue.

VII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

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

2. Risk Sharing Pools

For its employee health and accident coverage, **Cattaraugus-Little Valley Central School District** is a participant in the Cattaraugus-Allegany Regional Medical Plan, a public entity risk pool operated for the benefit of 22 individual governmental units located within Allegany and Cattaraugus Counties. The School District pays monthly premiums to the Plan for this health coverage.

The Plan is authorized to assess supplemental premiums to the participating districts. The Plan provides coverage for its members up to \$100,000 per insured event. The Cattaraugus-Allegany Regional Medical Plan obtains independent coverage for insured events in excess of this amount.

NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

VII. Commitments and Contingencies (continued)

A. Risk Financing and Related Insurance (continued)

2. Risk Sharing Pools

The **Cattaraugus-Little Valley Central School District** also participates in a risk sharing pool, Cattaraugus-Allegany BOCES, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. Administrators of the Plan have indicated that the Plan's reserves are believed to be in excess of estimated unbilled and open claims.

B. Compensated Absences

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports approximately \$990,000 at June 30, 2024 for accumulating non-vesting sick leave.

C. Federal and State Grants

The District has received grants reported in the special aid fund which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds. Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, will not be material.

D. Litigation

The District may be a party to various claims and legal proceedings covering a wide range of matters that arise in the course of the District's business.

In April 2019, a sexual misconduct claim was brought by a former student against the District. The Court has granted summary judgment dismissing the claims against the District on statute of limitation grounds. The plaintiff has appealed the summary judgment and the U.S. Court of Appeals for the Second Circuit has certified a question concerning the interpretation of the claim to the New York Court of Appeals. The answer to the question will determine whether the dismissal will be affirmed or the matter will be remanded for trial. Oral arguments are scheduled for November 19, 2024. Insurance coverage regarding this litigation was disclaimed by the District's insurance carrier, which was upheld in court.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 3 - DETAIL NOTES ON ALL FUNDS
(CONTINUED)

VII. Commitments and Contingencies (continued)

D. Litigation

The District has been named in a sexual claim brought by a Boy Scout, claiming abuse took place at Boy Scout events, which allegedly took place on the District premises but does not alleged to have involved a former District employee. The action is stayed pending resolution of the Boy Scouts bankruptcy action, and the District has filed a claim in that proceeding. The District has opted out of the proposed bankruptcy plan, which preserves its claim for indemnification against the Boy Scouts, and allows it to negotiate a potential contribution to the bankruptcy settlement to receive protection from Plaintiff's claims. The District is considering its options with this matter.

A former employee filed a complaint with State Division of Human Rights (SDHR) alleging claims of race discrimination in violation of federal and state law. The District denies all material allegations in the complaint and filed a position statement in the case. The District and Complainant have since submitted rebuttal statements and responses thereto. The SDHR has not taken any further action on the complaint to date and the matter remains under investigation.

The District intends to vigorously defend its position in the matters outlined above.

NOTE 4 – TAX ABATEMENTS

The Cattaraugus County Industrial Development Agency entered into a property tax abatement program (Payment in Lieu of Taxes – PILOT) with a Corporation in the Cattaraugus-Little Valley Central School District's tax jurisdiction for the purpose of economic development on June 1, 2017. The term of the PILOT is 15 years with the agreement expiring on December 31, 2032. Payments under the agreement are based existing assessed value of the land, while there is no payment associated with the improvements until the property returns to the tax rolls in 2032. At this time, the District is unable to quantify the amount of taxes that have been abated under this program.

NOTE 5 – CAPITAL PROJECT

The voters of *Cattaraugus-Little Valley Central School District* approved a resolution authorizing a capital project in the amount of \$18,500,000 to be financed with serial bonds and District funds. Total expenditures incurred related to the project were \$7,736,634, \$7,396,050 and \$1,794,122 during the years ended June 30, 2024, 2023 and 2022, respectively.

The District also had expenditures in the current year in the amount of \$100,000 related to its capital outlay project, \$734,056 related to its smart bond act project and \$102,841 for bus purchases. In January 2024, the District ordered buses in the amount of \$699,560, however, the buses were not received. The District anticipates the buses to arrive during the fiscal year ending June 30, 2025 at which time they will be recognized as expenditures in the capital project fund.

NOTE 6 – COVID 19 PANDEMIC

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$912,000 of CRRSA assistance to the District. The District expended the CRRSA allocation during the years ended June 30, 2023 and 2022, in the amount of \$250,553 and \$661,320, respectively.

In March 2022, the American Rescue Plan (ARP) was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$3,568,000 of ARP assistance to the District. The District expended \$1,778,885, \$919,462, \$434,205 and \$0 during the years ended June 30, 2024, 2023, 2022 and 2021, respectively, of the ARP funds.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 7 – RIGHT-TO-USE ASSETS/LEASES

The District has entered into various agreements with Erie 1 BOCES to acquire IT and computer equipment. The equipment is owned by Erie 1 BOCES, however the District has recognized a right-to-use asset in accordance with Governmental Accounting Standards Board Statement No. 87, Leases. The District paid cash for the equipment rather than through an installment purchase agreement. The District amortizes its right-to-use assets over a period of 5 years. Below is a summary of the activity of the District's right-to-use assets during the year ended June 30, 2024:

	Balance 7/1/2023	Additions
Right-to-use asset	\$ 901,274	\$ 191,742
Accumulated		
amortization	(269,901)	(194,363)
	<u>\$ 631,373</u>	<u>\$ (2,621)</u>

	Deletions	Balance 6/30/2024
Right-to-use asset	\$ (108,252)	\$ 984,764
Accumulated		
amortization	108,252	(356,012)
	<u>\$ -</u>	<u>\$ 628,752</u>

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 24, 2024, which is the date the financial statements were available to be issued.

On July 10, 2024, the District issued new bond anticipation notes in the amount of \$15,765,000 (including a premium of \$29,327) related to its 2021 capital improvement project. The notes carry an interest rate of 4.0% and mature on July 10, 2025.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items	\$ 5,008,199	\$ 5,008,199	\$ 4,982,283	\$ (25,916)
Charges for services	10,000	10,000	39,016	29,016
Use of money and property	166,530	166,530	422,969	256,439
Sale of property and compensation for loss	52,200	52,200	55,022	2,822
Miscellaneous	220,460	220,460	365,757	145,297
State Sources:				
Basic formula	19,470,151	19,470,151	18,767,210	(702,941)
BOCES	2,349,977	2,349,977	2,155,440	(194,537)
Textbooks	50,095	50,095	46,072	(4,023)
All other aid	108,842	108,842	87,296	(21,546)
Total revenue	27,436,454	27,436,454	26,921,065	(515,389)
Other Sources				
Operating transfer in	300,000	300,000	121,163	(178,837)
Total revenue and other sources	27,736,454	27,736,454	<u>\$ 27,042,228</u>	<u>\$ (694,226)</u>
Reserves	171,435	171,435		
Appropriated fund equity and carryover encumbrances	1,495,886	1,649,029		
Total revenue, other sources, reserves and appropriated fund equity	<u>\$ 29,403,775</u>	<u>\$ 29,556,918</u>		

See accompanying independent auditor's report.

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	\$ 12,500	\$ 17,031	\$ 14,886	\$ 704	\$ 1,441
Central administration	228,525	238,065	237,916	-	149
Finance	288,701	296,893	295,144	-	1,749
Staff	706,445	715,705	607,945	-	107,760
Central services	2,277,655	2,471,838	1,983,946	173,368	314,524
Special items	379,608	384,668	381,648	-	3,020
Instructional:					
Instruction, administration and improvement	623,470	610,419	561,563	234	48,622
Teaching - regular school	5,496,633	5,526,740	5,447,625	25,333	53,782
Programs for children with handicapping conditions	4,190,057	4,193,866	4,163,164	149	30,553
Teaching - special schools	40,070	38,484	34,032	-	4,452
Occupational education	921,438	963,984	952,949	8,754	2,281
Instructional media	944,078	901,399	890,818	1,169	9,412
Pupil services	1,103,845	1,083,315	988,292	20,715	74,308
Pupil Transportation	1,923,725	1,924,953	1,645,069	17,346	262,538
Employee Benefits	5,054,974	4,977,507	4,601,261	-	376,246
Community Service	170,000	170,000	170,000	-	-
Debt Service:					
Debt service principal	3,674,500	3,674,500	3,574,500	-	100,000
Debt service interest	1,267,551	1,251,554	1,249,471	-	2,083
Total expenditures	29,303,775	29,440,921	27,800,229	247,772	1,392,920
Other Uses:					
Transfer to other funds	100,000	115,997	146,485	-	(30,488)
Total other uses	100,000	115,997	146,485	-	(30,488)
Total expenditures and other uses	\$ 29,403,775	\$ 29,556,918	27,946,714	\$ 247,772	\$ 1,362,432
Excess (deficiency) of revenue and other sources over expenditures and other uses			\$ (904,486)		

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS1A

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	School Food Service Fund		
	Budget (Amended)	Actual	Variance Fav. (Unf.)
Revenue			
State sources	\$ 14,000	\$ 110,111	\$ 96,111
Federal sources	325,000	394,203	69,203
Sales	166,000	31,377	(134,623)
Surplus food	48,000	32,367	(15,633)
Use of money and property	2,000	2,006	6
Total revenue	555,000	570,064	15,064
Expenditures			
General support	70,000	32,006	37,994
Employee benefits	3,000	2,368	632
Cost of sales	435,000	476,596	(41,596)
Other expenses	12,000	8,054	3,946
Total expenditures	520,000	519,024	976
Excess of revenue over expenditures	<u>\$ 35,000</u>	51,040	<u>\$ 16,040</u>
Fund equity, beginning of year		229,370	
Fund equity, end of year		<u>\$ 280,410</u>	

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS2

Page 40

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 29,403,775
Additions:	
Prior Year Encumbrances	<u>153,143</u>
Original budget	29,556,918
Budget revisions:	<u>-</u>
Final budget	<u>\$ 29,556,918</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-25 voter-approved expenditure budget	\$ 32,167,569
Maximum allowed (4% of 2024-25 budget)	1,286,703

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

Unrestricted fund balance:	
Committed fund balance	\$ -
Assigned fund balance	2,718,092
Unassigned fund balance	<u>4,944,427</u>
Total unrestricted fund balance	<u>7,662,519</u>
Less:	
Appropriated fund balance	2,470,320
Encumbrances included in committed and assigned fund balance	<u>247,772</u>
Total adjustments	<u>2,718,092</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 4,944,427</u>
Actual percentage	<u>15.4%</u>

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

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS3

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Project Title	Original Appropriation	Revised Appropriation	Expenditures (including interfund transfers)			Unexpended (Overexpended) Balance	Methods of financing				Fund Balance June 30, 2024
			Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total	
Transportation vehicles - current	\$ 800,000	\$ 800,000	\$ -	\$ 102,841	\$ 102,841	\$ 697,159	\$ 800,000	\$ -	\$ -	\$ 800,000	\$ 697,159
Transportation vehicles - prior year	-	-	-	-	-	-	-	-	-	-	4,403
2021 Capital Project	18,500,000	18,500,000	9,316,694	7,736,634	17,053,328	1,446,672	16,500,000	-	2,000,079	18,500,079	1,446,751
Smart Schools Bond Act Project	1,410,452	1,410,452	-	734,056	734,056	676,396	-	-	-	-	(734,056)
Capital outlay - current	100,000	100,000	-	100,000	100,000	-	-	-	99,898	99,898	(102)
	<u>\$ 20,810,452</u>	<u>\$ 20,810,452</u>	<u>\$ 9,316,694</u>	<u>\$ 8,673,531</u>	<u>\$ 17,990,225</u>	<u>\$ 2,820,227</u>	<u>\$ 17,300,000</u>	<u>\$ -</u>	<u>\$ 2,099,977</u>	<u>\$ 19,399,977</u>	<u>1,414,155</u>
Bond anticipation note outstanding as of June 30, 2024											<u>(16,290,000)</u>
Total fund equity (deficit) as of June 30, 2024											<u>\$ (14,875,845)</u>

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
BUDGET COMPARISON STATEMENT FOR STATE AND
OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS4A

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Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school *	N/A	2024	\$ 189,731	\$ 189,731	\$ 189,731
Universal Pre-kindergarten	409-24-7092	2024	319,774	319,774	319,774
Statewide Universal Pre-kindergarten	545-24-2055	2024	165,198	165,198	165,198
Health Care Worker Bonus	N/A	2024	6,459	6,459	6,459
Special Education Integrated Pre-School	N/A	2024	147,042	147,042	147,042
School breakfast programs	N/A	2024	27,611	27,611	27,611
School lunch programs	N/A	2024	82,500	82,500	82,500
			<u>\$ 938,315</u>	<u>\$ 938,315</u>	<u>\$ 938,315</u>

* Revenue includes interfund transfer of \$46,587 from the general fund which represents local share of expenditures.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS4B

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the **Cattaraugus-Little Valley Central School District** and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Basis of Accounting

The basis of accounting varies by Federal program consistent with underlying regulations pertaining to each program. The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for the applicable program and periods. The amounts reported in these Federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

Note 2 - Non-monetary Federal Program

The accompanying **Cattaraugus-Little Valley Central School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2024, the District reported in the Schedule of Federal Awards \$32,367 of donated commodities at fair market value received and disbursed.

Note 3 - Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS4C

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Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
Federal Communication and Commission					
Direct Program:					
COVID-19 Emergency Connectivity Grant	32.009	N/A	\$ 90,628	\$ 90,628	\$ 90,628
US Department of Education:					
Passed through NYS Department of Education:					
Title I, Part A	84.010A	0021-24-0240	325,135	320,603	320,603
IDEA, Part B Section 611 *	84.027A	0032-24-1255	250,627	250,627	250,627
COVID-19 ARP IDEA, Part B Section 611 *	84.027X	5532-22-1255	46,533	25,577	25,577
IDEA, Part B Section 619 *	84.173A	0033-24-1255	15,280	15,280	15,280
Title IIA	84.367A	0147-24-0240	32,928	445	445
Title IIA	84.367A	0147-23-0240	43,527	43,527	43,527
Title IV, SSAE	84.424A	0204-24-0240	27,427	27,427	27,427
Title V	84.358B	0006-24-0240	25,236	25,236	25,236
COVID-19 Homeless II	84.425W	5218-21-0240	6,249	2,164	2,164
COVID-19 ARP ESSER 3	84.425U	5880-21-0240	2,049,417	1,229,277	1,229,277
COVID-19 ARP SLR Summer Enrichment	84.425U	5882-21-0240	209,380	88,389	88,389
COVID-19 ARP SLR Comprehensive After School	84.425U	5883-21-0240	209,380	15,303	15,303
COVID-19 ARP SLR Learning Loss	84.425U	5884-21-0240	1,046,873	418,175	418,175
Total U.S. Department of Education			5,199,864	2,462,030	2,462,030
US Department of Agriculture:					
Passed through NYS Department of Education:					
National School Lunch Program **	10.555	N/A	279,736	279,736	279,736
COVID-19 Supply Chain Assistance Program **	10.555	N/A	26,716	26,716	26,716
National School Breakfast Program **	10.553	N/A	87,751	87,751	87,751
Passed through NYS Office of General Services					
National School Lunch Program					
Noncash assistance (Donated Commodities) **	10.555	N/A	32,367	32,367	32,367
Total U.S. Department of Agriculture			426,570	426,570	426,570
Total expenditures and revenue				\$ 2,979,228	\$ 2,979,228

* Constitutes a cluster of Federal programs named Special Education Cluster with total revenue and expenditures of \$ 291,484
 ** Constitutes a cluster of Federal programs named Child Nutrition Cluster with total revenue and expenditures of \$ 426,570

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL
AND RIGHT-TO-USE ASSETS
AS OF JUNE 30, 2024

Schedule SS5

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Capital and right-to-use assets	\$ 56,830,501
Less:	
Serial bonds	(19,146,134)
Bond anticipation notes	(16,290,000)
Plus:	
Assets less liabilities (without BAN) in capital project fund	<u>1,414,155</u>
Net investment in capital and right-to-use assets	<u><u>\$ 22,808,522</u></u>

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2024

Schedule SS6

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As of the measurement date of July 1,

	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability								
Service cost	\$ 88,344	\$ 125,482	\$ 116,224	\$ 89,238	\$ 84,695	\$ 82,872	\$ 91,519	\$ 77,148
Interest	71,830	38,663	43,382	50,217	52,747	44,693	38,569	43,214
Differences between expected and actual experience	30,193	(60,011)	(41,091)	(74,181)	(52,261)	(33,495)	(53,917)	-
Changes in assumptions	61,934	(22,934)	53,461	156,679	36,286	77,485	(57,030)	89,327
Benefit payments	(54,010)	(52,739)	(40,693)	(56,516)	(60,009)	(71,568)	(80,380)	(73,743)
Net change in total OPEB liability	198,291	28,461	131,283	165,437	61,458	99,987	(61,239)	135,946
Total OPEB liability - beginning	1,694,635	1,666,174	1,534,891	1,369,454	1,307,996	1,208,009	1,269,248	365,805
Prior period adjustment	-	-	-	-	-	-	-	767,497
Total OPEB liability - ending	<u>\$ 1,892,926</u>	<u>\$ 1,694,635</u>	<u>\$ 1,666,174</u>	<u>\$ 1,534,891</u>	<u>\$ 1,369,454</u>	<u>\$ 1,307,996</u>	<u>\$ 1,208,009</u>	<u>\$ 1,269,248</u>
Plan fiduciary net position								
Contributions - employer	\$ 54,010	\$ 52,739	\$ 40,693	\$ 56,516	\$ 60,009	\$ 71,568	\$ 80,380	\$ 73,743
Net investment income	-	-	-	-	-	-	-	-
Benefit payments	(54,010)	(52,739)	(40,693)	(56,516)	(60,009)	(71,568)	(80,380)	(73,743)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability	<u>\$ 1,892,926</u>	<u>\$ 1,694,635</u>	<u>\$ 1,666,174</u>	<u>\$ 1,534,891</u>	<u>\$ 1,369,454</u>	<u>\$ 1,307,996</u>	<u>\$ 1,208,009</u>	<u>\$ 1,269,248</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-employee payroll	<u>\$ 9,944,948</u>	<u>\$ 9,702,388</u>	<u>\$ 9,274,109</u>	<u>\$ 9,486,936</u>	<u>\$ 8,690,940</u>	<u>\$ 8,747,966</u>	<u>\$ 7,915,015</u>	<u>\$ 7,813,440</u>
District's net OPEB liability as a percentage of covered-employee payroll	<u>19.03%</u>	<u>17.47%</u>	<u>17.97%</u>	<u>16.18%</u>	<u>15.76%</u>	<u>14.95%</u>	<u>15.26%</u>	<u>16.24%</u>

Notes to Schedule:

Benefit Changes:

None

Changes in assumptions:

Discount rate from 4.09% as of June 30, 2022 and 4.13% as of June 30, 2023

Health insurance rates from 7.5% decreasing 0.5% each year thereafter with an ultimate rate of 4.5% after for 2023 versus 8.0% decreasing 0.5% each year thereafter with an ultimate rate of 4.5% for 2024.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – OPEB
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2024

Schedule SS7

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For the year ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	\$ 54,010	\$ 52,739	\$ 40,693	\$ 56,516	\$ 60,009	\$ 71,568	\$ 80,380	\$ 73,743
Contributions in relation to the actuarially determined contribution	(54,010)	(52,739)	(40,693)	(56,516)	(60,009)	(71,568)	(80,380)	(73,743)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 9,944,948	\$ 9,702,388	\$ 9,274,109	\$ 9,486,936	\$ 8,690,940	\$ 8,747,966	\$ 7,915,015	\$ 7,813,440
Contributions as a percentage of District's covered-employee payroll	0.54%	0.54%	0.44%	0.60%	0.69%	0.82%	1.02%	0.94%

Notes to Schedule

Valuation date: 7/1/2022

Measurement date: 7/1/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	4.13% as of June 30, 2023
Inflation	2.5% per year
Healthcare cost trend rates	2024 - 8.0%. Rates will decrease 0.5% each year thereafter with an ultimate rate of 4.5% after 2029.
Salary increases	Based on experience and NYSTRS valuation as of June 30, 2021.
Mortality	7/1/23- SOA RPH-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.
Retiree Cost Sharing	Teacher and Administrator retirees pay the full cost of coverage. Classified Staff and Bus Drivers are required to pay the portion of the premium not covered under the District's explicit subsidy.
Participants	205 Active and 28 Retirees

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2024

Schedule SS8

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New York State Teachers' Retirement System

For the year ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 743,054	\$ 763,959	\$ 702,011	\$ 604,754	\$ 594,231	\$ 702,134	\$ 627,672	\$ 711,693	\$ 798,010	\$ 984,773
Contributions in relation to the contractually required contribution	(743,054)	(763,959)	(702,011)	(604,754)	(594,231)	(702,134)	(627,672)	(711,693)	(798,010)	(984,773)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 7,613,258	\$ 7,424,286	\$ 7,163,378	\$ 6,345,792	\$ 6,706,896	\$ 6,611,431	\$ 6,404,816	\$ 6,072,466	\$ 6,018,175	\$ 5,617,644
Contributions as a percentage of District's covered-employee payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

New York State Local Employees' Retirement System

For the year ended March 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 402,655	\$ 334,074	\$ 447,877	\$ 382,111	\$ 368,726	\$ 373,320	\$ 370,443	\$ 367,518	\$ 422,463	\$ 419,414
Contributions in relation to the contractually required contribution	(402,655)	(334,074)	(447,877)	(382,111)	(368,726)	(373,320)	(370,443)	(367,518)	(422,463)	(419,414)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 3,221,529	\$ 2,953,828	\$ 2,824,420	\$ 2,657,834	\$ 2,670,978	\$ 2,608,077	\$ 2,576,166	\$ 2,537,512	\$ 2,433,578	\$ 2,284,750
Contributions as a percentage of District's covered-employee payroll	12.50%	11.31%	15.86%	14.38%	13.80%	14.31%	14.38%	14.48%	17.36%	18.36%

See accompanying independent auditor's report.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY) – NYSTRS AND PROPORTIONATE SHARE OF
NET PENSION LIABILITY - NYSLERS
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2024

Schedule SS9

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New York State Teachers' Retirement System - Net Pension Asset (Liability)

As of the measurement date of June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability or asset	n/a	0.040196%	0.040436%	0.039873%	0.039515%	0.038689%	0.039320%	0.038320%	0.038204%	0.037398%
District's proportionate share of the net pension asset (liability)	n/a	\$ (459,671)	\$ (775,926)	\$ 6,909,586	\$ (1,091,898)	\$ 1,005,134	\$ 711,012	\$ 291,271	\$ (409,180)	\$ 3,884,431
District's covered-employee payroll	n/a	\$ 7,424,286	\$ 7,163,378	\$ 6,345,792	\$ 6,706,896	\$ 6,611,431	\$ 6,404,816	\$ 6,072,466	\$ 6,018,175	\$ 5,617,644
District's proportionate share of the net pension liability or asset as a percentage of its covered employee payroll	n/a	6.19%	10.83%	-108.88%	16.28%	-15.20%	-11.10%	-4.80%	-6.80%	-69.15%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

New York State Local Employees' Retirement System - Net Pension (Liability)

As of the measurement date of March 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.009788400%	0.008709800%	0.008242200%	0.007388300%	0.007607400%	0.008136000%	0.0080162%	0.0079998%	0.0078963%	0.0079096%
District's proportionate share of the net pension asset (liability)	\$ (1,441,248)	\$ (1,867,739)	\$ 673,768	\$ (7,357)	\$ (2,014,477)	\$ (576,464)	\$ (258,720)	\$ (751,679)	\$ (1,267,382)	\$ (267,206)
District's covered-employee payroll	\$ 3,221,529	\$ 2,953,828	\$ 2,824,420	\$ 2,657,834	\$ 2,670,978	\$ 2,608,077	\$ 2,576,166	\$ 2,537,512	\$ 2,433,578	\$ 2,284,750
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	44.74%	63.23%	-23.86%	0.28%	75.42%	22.10%	10.04%	29.62%	52.08%	11.70%
Plan fiduciary net position as a percentage of the total pension asset (liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

See accompanying independent auditor's report.

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

**To the President and
Members of the Board of Education
Cattaraugus-Little Valley Central School District
Cattaraugus, 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 and each major fund of *Cattaraugus-Little Valley Central School District* as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise *Cattaraugus-Little Valley Central School District's* basic financial statements and have issued our report thereon dated September 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered *Cattaraugus-Little Valley Central School District's* internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of *Cattaraugus-Little Valley Central School District's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Cattaraugus-Little Valley Central School District's* internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item II.A.2024-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Cattaraugus-Little Valley Central School District's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2024-002.

Cattaraugus-Little Valley Central School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on *Cattaraugus-Little Valley Central School District's* responses to the internal controls over compliance finding and compliance and other matters finding identified in our audit described in the accompanying schedule of findings and questioned costs. *Cattaraugus-Little Valley Central School District's* responses were not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 24, 2024**



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the President and
Members of the Board of Education
Cattaraugus-Little Valley Central School District
Cattaraugus, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited *Cattaraugus-Little Valley Central School District's* compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. *Cattaraugus-Little Valley Central School District's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, *Cattaraugus-Little Valley Central School District* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of *Cattaraugus-Little Valley Central School District* and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of *Cattaraugus-Little Valley Central School District's* compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to *Cattaraugus-Little Valley Central School District's* federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on *Cattaraugus-Little Valley Central School District's* compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about *Cattaraugus-Little Valley Central School District* with the requirements of each major federal program as a whole.

Auditor's Responsibilities for the Audit of Compliance (continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 **Cattaraugus-Little Valley Central School District's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Cattaraugus-Little Valley Central School District's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Cattaraugus-Little Valley Central School District's** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that may be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 24, 2024**

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued or whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 yes

 x no

Significant deficiency(ies) identified?

 x yes

 none reported

Noncompliance material to financial statements noted?

 x yes

 no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 yes

 x no

Significant deficiency(ies) identified?

 yes

 x none reported

Type of auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)

 yes

 x no

Federal Program Title	Federal CFDA	Amount
	Number	
Total expenditures of Federal Awards		<u><u>\$ 2,979,228</u></u>

Identification of Major Programs Tested:

COVID-19 ARP ESSER 3	84.425U	\$ 1,229,277
COVID-19 ARP SLR Summer Enrichment	84.425U	88,389
COVID-19 ARP SLR Comprehensive After School	84.425U	15,303
COVID-19 ARP SLR Learning Loss	84.425U	418,175
COVID-19 Homeless II	84.425W	2,164

Total major programs tested \$ 1,753,308

% of Federal programs tested 59%

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low risk?

 x yes

 no

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2024-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements
Year ended June 30, 2024

Condition and Criteria: During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to recording retirement accruals, capital project funds payables and converting to the full accrual method for government-wide financial statement purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District.

Cause and Effect: AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency. Without this assistance, the potential risk exists of the District's financial statements not conforming to GAAP.

Auditor's Recommendation: Although auditors may continue to provide such assistance both now and in the future, under the new pronouncement, the District should continue to review and accept both proposed adjusting journal entries and footnote disclosures, along with the draft financial statements.

District's Response: The District has received, reviewed and approved all journal entries, footnote disclosures and draft financial statements proposed for the current year audit and will continue to review similar information in future years. Further the District believes it has a thorough understanding of these financial statements and the ability to make informed judgments based on these financial statements.

B. COMPLIANCE AND OTHER MATTERS

2024-002 Unassigned Fund Balance
Year ended June 30, 2024

Conditions and criteria: *Cattaraugus-Little Valley Central School District's* unassigned fund balance as of June 30, 2024 amounted to approximately \$4,944,000. This amount constitutes approximately 15.4% of the 2024-2025 school budget.

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

Auditor's Recommendation: *Cattaraugus-Little Valley Central School District* should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance.

District's Response: *Cattaraugus-Little Valley Central School District* realizes that it's unassigned fund balance as of June 30, 2024 was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

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III. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

A. COMPLIANCE

Year ended June 30, 2024

There were no findings related to compliance during the year ended June 30, 2024.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2024

There we no findings related to internal control over compliance are being reported upon during the fiscal year June 30, 2024.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Page 56

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2023-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2023

Summary of Prior Year Finding: Adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District. AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2024 as finding 2024-001.

C. COMPLIANCE AND OTHER MATTERS

2023-002 Unassigned Fund Balance

Year Ended June 30, 2023

Summary of Prior Year Finding: *Cattaraugus-Little Valley Central School District's* unassigned fund balance as of June 30, 2023 amounted to approximately \$7,017,000. This amount constitutes approximately 23.9% of the 2023-2024 school budget. The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Current Status: Similar finding related to compliance and other matters is being reported upon during the year ended June 30, 2024 as finding 2024-002.

II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

A. COMPLIANCE

Year Ended June 30, 2023

There were no findings related to compliance during the year ended June 30, 2023.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2023

There were no findings related to internal control over compliance during the year ended June 30, 2023.

B • W • B
BUFFAMANTE WHIPPLE BUTTAFARO, P.C.
Certified Public Accountants • Business Advisors

**To the President and Members of the
Board of Education
and School Administration
Cattaraugus-Little Valley Central School District
Cattaraugus, New York**

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2024 of the District's financial statements and have issued our reports thereon dated September 24, 2024. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards*.

In planning and performing our audit of the financial statements of the *Cattaraugus-Little Valley Central School District* for the year ended June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter is a schedule of revenue and expense comparisons (modified accrual basis) and analysis of fund equity for the school years ended June 30, 2020 through June 30, 2024. In addition, we have also presented a summary of additional comments which we desire to bring to the board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business staff. *Cattaraugus-Little Valley Central School District* has provided responses to additional comments that follow, however, we did not audit such responses, and accordingly, we express no opinion on them.

The analysis of the use of the District's fund equity shows that the District maintains a number of reserves. The reserves presented here are only those that are reported in the General Fund. The uses and legal restrictions of each of these reserve categories are listed in the footnotes to the financial statements. These reserves reduce the amount of the District's unassigned fund equity.

We have reviewed the financial statements extensively with the Audit Committee, School Superintendent and the Business Manager. We believe these individuals have a good understanding of the financial condition of the District as well as the comments expressed in our annual report. We have enjoyed working with the District this year, and wish to thank all of the staff who have assisted us during our audit.

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.
September 24, 2024

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
REVENUE AND EXPENDITURE COMPARISON AND ANALYSIS OF
FUND EQUITY (AMOUNTS IN \$1,000)

Page 2

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Revenue and other sources					
Property taxes	\$ 4,982	\$ 4,986	\$ 5,000	\$ 4,985	\$ 4,947
State aid	21,056	20,661	19,848	18,716	19,248
All other	1,004	867	478	859	606
	<u>27,042</u>	<u>26,514</u>	<u>25,326</u>	<u>24,560</u>	<u>24,801</u>
Expenditures and other uses					
General support	3,521	3,228	3,306	3,247	3,159
Instruction	13,039	12,501	12,173	11,082	11,103
Transportation	1,645	1,585	1,442	1,276	1,227
Benefits	4,601	3,976	4,290	4,175	4,053
Debt	4,824	4,252	4,357	4,353	4,350
Community services	170	150	130	130	110
Transfers	146	187	177	360	994
	<u>27,946</u>	<u>25,879</u>	<u>25,875</u>	<u>24,623</u>	<u>24,996</u>
Excess (deficiency) of revenue over expenditures	(904)	635	(549)	(63)	(195)
Fund equity					
Beginning of year	11,155	9,987	10,536	10,599	10,794
Transfer from capital reserve	-	533	-	-	-
	<u>-</u>	<u>533</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 10,251</u>	<u>\$ 11,155</u>	<u>\$ 9,987</u>	<u>\$ 10,536</u>	<u>\$ 10,599</u>
Analysis of fund equity					
Restricted					
Reserve for repairs	\$ 166	\$ 161	\$ 155	\$ 154	\$ 369
Reserve for employee benefit accrued liability	702	669	660	659	658
Reserve for unemployment insurance	155	150	228	227	227
Capital reserve	635	613	-	-	-
Reserve for retirement	512	493	487	485	485
Reserve for TRS	419	405	399	264	129
Assigned					
Reserve for encumbrances	248	153	44	94	97
Next year's budget	2,470	1,496	758	883	930
Unassigned	4,944	7,015	7,256	7,770	7,704
	<u>\$ 10,251</u>	<u>\$ 11,155</u>	<u>\$ 9,987</u>	<u>\$ 10,536</u>	<u>\$ 10,599</u>

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
SUMMARY OF ADDITIONAL COMMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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Capital Assets

The District reports approximately \$57 million of capital assets. During the current year the District course of our audit we discovered that significant reconciliations were needed to agree the District's records to the fixed asset appraisal. We recommend the District work to identify the differences and contact the appraisal company to reconcile the appraisal report with District audited records. In the future an important step in the capital asset process is not only reporting additions and disposals to the appraisal company an annual basis but also reviewing the report once an update is complete to verify that such items were properly accounted for.

District response: The District hired an appraisal company and will work them in reconciling the capital assets.

Future Governmental Accounting Standards – GASB 101 – Compensated Absences

Governmental Accounting Standards Board has issued Statement No. 101, Compensated Absences which will be effective for the fiscal year ending June 30, 2025. The standard provides guidance on how the District will account for and disclose obligations related to compensated absences, including vacation leave, sick leave, and other similar benefits. We recommend that the District begin to familiarize themselves with the new compensated absences standard, which may include continuing education, webinars and further training.

District response: The District will participate in trainings or webinars on the topics when they become available.

Financial Plan

During the year ended June 30, 2024 the District experienced an operating deficit in the general fund of approximately \$904,000. We recommend that the District consider preparing projections of future revenue, expenditures and expected fund balance and should consider developing a three to five-year financial plan. This plan is particularly important as a result of the Pandemic related grant funding ending in September 30, 2024. We realize that such a plan will require the use of estimates and assumptions of information such as the amount of expected Federal and State Aid, expected rate increase in retirement systems and health insurance, potential increase in salaries, etc. However, we believe this plan could be a very useful tool that the District can utilize when negotiating employee contracts, setting future tax rates, purchasing future equipment, and determining how much fund balance will be utilized towards the capital project. The forecast would also be beneficial in the budgeting process, whereby the District would have an indication as to whether current year operations are running at an overall surplus or deficit.

District response: The District is in the process of developing a multi-year strategic plan.

Collateral

As of June 30, 2024, the District's cash balances were uninsured by approximately \$425,000. We recommend that District put processes in place to monitor collateral levels throughout the year to ensure all cash balances are protected.

District response: The District will work with its financial institution to ensure collateral levels are appropriately covering deposits on hand.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT

**EXTRACLASSROOM ACTIVITY FUND
FINANCIAL STATEMENT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
EXTRAClassroom Activity Fund

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BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

INDEPENDENT AUDITOR'S REPORT

**To the President and
Members of the Board of Education
Cattaraugus-Little Valley Central School District
Cattaraugus, New York**

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the *Cattaraugus-Little Valley Central School District* for the year ended June 30, 2024, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of *Cattaraugus-Little Valley Central School District*, for the year ended June 30, 2024 on the basis of accounting described in Note 1.

Basis for Opinion

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

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2024, on our consideration of the **Cattaraugus-Little Valley Central School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Cattaraugus-Little Valley Central School District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering **Cattaraugus-Little Valley Central School District's** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 24, 2024**

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
ANNUAL FINANCIAL STATEMENT ON EXTRACLASSROOM ACTIVITY FUND
STATEMENTS OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
JULY 1, 2023 THROUGH JUNE 30, 2024

Page 3

	Balances July 01, 2023	Total Receipts	Total Receipts & Balances	Total Payments	Balances June 30, 2024
Extracurricular activities:					
Art Club	\$ 938	\$ 9	\$ 947	\$ 96	\$ 851
Baseball	731	492	1,223	994	229
Basketball Cheerleaders	537	5	542	-	542
Boys Basketball	549	1,852	2,401	774	1,627
Business Club	4,390	832	5,222	2,757	2,465
Class of 2023	4,933	5	4,938	4,931	7
Class of 2024	15,792	27,705	43,497	41,851	1,646
Class of 2025	15,443	11,331	26,774	11,769	15,005
Class of 2026	5,222	3,712	8,934	1,926	7,008
Class of 2027	2,132	6,909	9,041	3,672	5,369
Class of 2028	4,468	31,861	36,329	33,844	2,485
Class of 2029	2,420	6,672	9,092	4,475	4,617
Class of 2030	4,622	4,107	8,729	3,695	5,034
Class of 2031	-	9,246	9,246	4,605	4,641
Drama Club	10,091	6,277	16,368	6,323	10,045
Ecos Club	4,407	5,280	9,687	6,577	3,110
Elementary Student Council	381	3,829	4,210	2,460	1,750
FFA	40,746	18,041	58,787	22,358	36,429
Football	745	729	1,474	326	1,148
FYEC	88	-	88	-	88
Girls Basketball	599	6	605	-	605
Girls Soccer	148	1	149	-	149
Golf Club	670	4	674	655	19
GSA	-	880	880	180	700
JCKOAC	-	796	796	666	130
Language Club	2,421	1,954	4,375	3,008	1,367
Lifeskills	2,685	2,607	5,292	1,677	3,615
Middle School Student Council	904	669	1,573	608	965
Music	5,065	7,186	12,251	6,245	6,006
National Honor Society	402	63	465	163	302
Natural Helpers	648	855	1,503	831	672
Sixth Grade	1,347	14	1,361	-	1,361
Ski Club	62	-	62	-	62
Softball	3,075	28	3,103	732	2,371
Student Council	2,662	3,844	6,506	2,974	3,532
Sales Tax	-	2,837	2,837	2,837	-
Theater	4,963	3,599	8,562	4,003	4,559
Timberline	6,554	6,819	13,373	938	12,435
Track	804	8	812	-	812
Trap	8,847	3,731	12,578	4,042	8,536
Unified Club	221	1,793	2,014	1,174	840
Volleyball	2,838	8,391	11,229	6,283	4,946
Wrestling Club	4,895	49	4,944	-	4,944
X Country	201	2	203	-	203
Total activity fund	\$ 168,646	\$ 185,030	\$ 353,676	\$ 190,449	\$ 163,227

See accompanying independent auditor's report and notes to financial statement on extracurricular activity fund.

CATTARAUGUS-LITTLE VALLEY CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTE TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are included in the financial statements of the School District. Cash balances of \$163,227 are included in the Miscellaneous Special Revenue Fund as restricted cash, with a corresponding amount recorded as committed fund balance.

The accounts of the Extraclassroom Activity Fund of **Cattaraugus-Little Valley Central School District** are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

**To the President and Members of the
Board of Education
and School Administration
Cattaraugus-Little Valley Central School District
Cattaraugus, New York**

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of **Cattaraugus-Little Valley Central School District** as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered **Cattaraugus-Little Valley Central School District's** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Cattaraugus-Little Valley Central School District's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Cattaraugus-Little Valley Central School District's** internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiencies in internal control that we consider to be a material weaknesses.

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. We consider the following deficiencies in internal control to be material weaknesses:

Point of Sale Records

We noted several instances where the receipt of cash lacked point of sale records. Each cash receipt received by the central treasurer should be accompanied by supporting documentation which reconciles cash received to participation times rates/fees. Due to the lack of point of sale records, cash receipts are not adequate to permit the application of the necessary auditing procedures to indicate whether receipts were recorded. We recommend that point of sale records be filled out in detail or an appropriate summary be attached by the student treasurer or teacher advisor, and be verified or reviewed by the central treasurer.

District's response: The District has adopted a new extensive Extraclassroom handbook and thirteen new forms. The District will continue to encourage the use of these forms to better document point of sale records.

Gross Margin Analysis

At the conclusion of each fundraiser, Activity Funds are expected to compare the actual revenue and expenditures to the expected results. We recommend that going forward forms are required to be completed for each individual fundraiser that analyze gross margin. Further, we recommend that these forms be filed separate from the receipts and disbursements records and that they be analyzed by someone in an oversight role to ensure that fundraisers meet budgeted expectations and achieve appropriate margins.

District's response: The District has met with all extraclassroom activity advisors, student presidents, vice presidents and treasurers, and has explained why and what necessary documentation is required. The District has also updated and provided new forms to help in this process.

Student Account Balances

The District enters cash receipt and disbursement activity within its accounting system WINCAP. In addition, an excel schedule is maintained to track balances of each student club. This information is then provided to the student treasurer and advisor. During the audit, we noted discrepancies between activity entered within the excel schedules compared with WINCAP. We recommend that the District reconcile the two systems to ensure the activity is consistently posted.

District's response: The District intends on reconciling activity posted within the excel worksheets to that recorded within WINCP on a regular basis throughout the year.

This communication is intended solely for the information and use of management, Board of Education, and others within **Cattaraugus-Little Valley Central School District**, and is not intended to be, and should not be, used by anyone other than these specified parties.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
September 24, 2024**



September 24, 2024

To the Audit Committee
and Board of Education
Cattaraugus-Little Valley Central School District
Cattaraugus, New York

We have audited the financial statements of Cattaraugus-Little Valley Central School District as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Governmental Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cattaraugus-Little Valley Central School District are described in Note 1 to the financial statements. During the current year, there were no new governmental accounting standards implemented. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation is based on estimates of useful lives of assets and cost basis of certain assets were derived from a third-party independent appraisal company. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

In addition, the District also has estimated future costs associated with pension and other post-employment benefits and has recorded a net pension liability (TRS & ERS) and another post-employment benefit liability based on an actuarial study performed by a third-party actuary. We evaluated the key assumptions used to develop this study and its reasonableness in relation to the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures on long-term debt in Note 3IV and the COVID-19 pandemic in Note 6 to the financial statements, due to their significance.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has indicated to us that it has accepted the journal entries as proposed. During the current year, the District did not record a lease receivable and deferred inflows related to its contract with Cattaraugus County in the amounts of approximately \$33,000. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 24, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of the District's share of the net pension asset/liability, and the schedule of the District's contributions for defined benefit pension plans, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, including combining and individual fund financial statements, the schedule of expenditures of federal awards, and other schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board and management of Cattaraugus-Little Valley Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.