

PRELIMINARY OFFICIAL STATEMENT

**NEW/RENEWAL ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of Bond, Schoeneck & King, PLLC, Syracuse, New York, Bond Counsel, assuming continuing compliance by the School District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes under existing statutes and court decisions. Moreover, interest on the Notes is not an "item of tax preference" for purposes of the alternative minimum tax imposed on individuals by the Code. Interest on the Notes that is included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax imposed under the Code. So long as interest on the Notes is excluded from gross income for Federal income tax purposes, interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision therein (including the City of New York). See "TAX MATTERS" herein for discussion of certain Federal taxes applicable to corporate owners of the Notes.*

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

**\$14,848,109**

**SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
DELAWARE AND SULLIVAN COUNTIES, NEW YORK**



**GENERAL OBLIGATIONS**

**\$14,848,109 Bond Anticipation Notes, 2026**  
(referred to herein as the "Notes")

**Dated: June 24, 2026**

**Due: June 24, 2027**

The Notes will be general obligations of the Sullivan West Central School District (the "District"), Delaware and Sullivan Counties, New York all of the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the Laws of 2011 of the State of New York. See "TAX INFORMATION – Tax Cap Law."

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered notes registered in the name of the purchaser. 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 at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, except for one necessary odd denomination, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued in book-entry-only form, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination, as may be determined by such successful bidder(s). If the Notes are issued in book-entry-only form, 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 unqualified legal opinion as to the validity of the Notes of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon by the purchaser(s), on or about June 24, 2026.

**ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com), on June 10, 2026 by no later than 11:00 A.M. EDT. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.**

June 5, 2026

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

# SULLIVAN WEST CENTRAL SCHOOL DISTRICT SULLIVAN AND DELAWARE COUNTIES, NEW YORK

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FISCAL ADVISORS & MARKETING, INC.  
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**BOND** SCHOENECK  
& KING  
Bond Counsel

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

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
of the  
**SULLIVAN WEST CENTRAL SCHOOL DISTRICT**  
**DELAWARE AND SULLIVAN COUNTIES, NEW YORK**  
Relating To  
**\$14,848,109 Bond Anticipation Notes, 2026**

This Official Statement, which includes the cover page and appendices, has been prepared by the Sullivan West Central School District, Delaware and Sullivan Counties, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the School District \$14,848,109 principal amount of Bond Anticipation Notes, 2026 (the "Notes").

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

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

**NATURE OF OBLIGATION**

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

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

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

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

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

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

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

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

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

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

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

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

## 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 of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “TAX LEVY LIMITATION LAW” and “Nature of the Obligation” herein.

The Notes will be dated June 24, 2026 and will mature June 24, 2027. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”) which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

### **No Optional Redemption**

The Notes are not subject to redemption prior to maturity.

### **Purpose of Issue**

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Education Law and the Local Finance Law and a bond resolution of the District dated July 24, 2024, authorizing a capital project for the renovation and reconstruction of various District buildings and related facilities at a maximum cost of \$25,855,000 and authorizing the issuance of \$22,491,365 of serial bonds.

The proceeds of the Notes together with \$1,051,891 available funds of the District will be used to redeem and renew, in part, \$15,900,000 bond anticipation notes currently outstanding and maturing on June 25, 2026, for the aforementioned capital project.

### **BOOK-ENTRY-ONLY SYSTEM**

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

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

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

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

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

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

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

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

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

Source: The Depository Trust Company.

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

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

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

## **Certificated Notes under Certain Circumstances**

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

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

## **THE SCHOOL DISTRICT**

### **General Information**

On July 1, 1999, Delaware Valley, Jeffersonville-Youngsville and Narrowsburg Central School Districts merged to form the Sullivan West Central School District at Callicoon-Jeffersonville-Youngsville-Narrowsburg. The School District, with an approximate land area of 242 square miles, lies 90 miles southwest of Albany and 90 miles northwest of New York City, in the southern sector of the Catskill Mountains. The School District includes most of the Towns of Callicoon, Cohecton, Delaware, Fremont, and Tusten and small portions of Bethel and Liberty, all located in Sullivan County and a small portion of the Town of Hancock, located in Delaware County. The total population is approximately 9,729 persons.

Major highways within or in close proximity to the School District include Route #17/Interstate Route 86 (The Southern Tier Expressway) which runs east-west and connects with Interstate #90 near Erie, Pennsylvania and Interstate Route #87, which extends north to Canada and south to New York City at the Town of Monroe. The School District also encompasses New York State Routes #52, #97 and #17B and several County Routes. Air transportation through the Sullivan County Airport is provided by various national and regional airlines. Electric service is provided by New York State Electric & Gas. Sewer and water services are provided in the District by the municipalities located in the District. Police protection is provided by Town, County and State agencies. Fire protection is provided by various volunteer units. Banking services are provided by: Jeff Bank, JP Morgan Chase, NYLAF, NYCLASS and M&T Bank.

Source: District officials.

### **Population**

The estimated population of the School District is estimated to be 10,150. (Source: 2024 U.S. Census Bureau)

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**Selected Wealth and Income Indicators**

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

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2020-2024</u>
Towns of:						
Hancock	\$ 23,292	\$ 27,190	\$ 35,864	\$ 52,992	\$ 60,313	\$ 72,201
Bethel	24,777	35,326	39,099	57,780	76,250	95,625
Callicoon	26,138	34,437	72,488	63,750	92,083	111,741
Cochecton	26,784	40,264	52,357	68,875	79,018	93,125
Delaware	28,349	34,914	52,832	70,417	94,033	108,892
Fremont	32,205	36,854	44,474	67,455	82,031	84,625
Liberty	22,037	25,033	32,213	53,186	60,827	73,277
Tusten	26,592	33,136	54,244	62,143	53,333	91,250
Counties of:						
Sullivan	23,422	32,346	42,334	57,388	72,302	92,132
Delaware	22,928	28,139	37,564	53,590	65,755	78,872
State of:						
New York	30,948	40,898	50,712	67,405	87,270	106,873

Note: 2021-2025 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2020-2024 American Community Survey data.

**Larger Employers**

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

<u>Name</u>	<u>Type</u>	<u>Estimated Number of Employees</u>
Villa Roma Resort & Confer Ctr	Resort	325
Delaware Valley Job Corps.	School for Academic & Career Training	98
Peck’s Market	Market	60
Jeff Bank	Bank	66
Garnet Health Medical Center	Hospital	38

Source: District officials.

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## Unemployment Rate Statistics

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

	<u>Annual Average</u>					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Sullivan County	8.8%	5.2%	3.5%	3.3%	3.6%	3.6%
Delaware County	6.9%	4.7%	3.7%	4.1%	4.2%	4.2%
New York State	9.8%	7.1%	4.3%	4.1%	4.3%	4.3%

### 2026 Monthly Figures

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Sullivan County	4.4%	4.9%	4.3%	3.7%	N/A	N/A
Delaware County	5.3%	5.6%	5.0%	4.4%	N/A	N/A
New York State	4.7%	5.2%	4.4%	4.2%	N/A	N/A

Note: Unemployment rates for May and June 2026 are unavailable as of the date of this Official Statement.

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

## Form of School Government

The Board of Education which is the policy-making body of the School District, consists of nine 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 School District and no Board member may hold certain other District offices or position 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 tentative budget of the School District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the School District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or School District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the School District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education, must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the School District, which includes debt service, in a like manner as if the same had been voted by the qualified voters.

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

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3<sup>rd</sup> Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

#### *Recent Budget Votes*

The District’s 2025-2026 budget was approved by the qualified voters of the School District on May 20, 2025 with a vote of 342 to 96. The District’s budget for 2025-26 remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budgeted tax levy increase is 2.99%, which is below the District’s allowable Tax Cap of 3.25% for the 2025-26 fiscal year.

The District’s 2026-2027 budget was approved by the qualified voters of the School District on May 19, 2026 with a vote of 322 to 83. The District’s budget for 2026-27 remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budgeted tax levy increase is 2.99% which is below the District’s allowable Tax Cap of 3.52% for the 2026-27 fiscal year.

#### **Investment Policy**

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and Bond 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) Savings Accounts, Now Accounts or Money Market Accounts of designated banks, (2) Certificates of Deposit issued by a bank or trust company located and authorized to do business in New York State, (3) Demand Deposit Accounts in a bank or trust company authorized to do business in New York State, (4) Obligations of New York State, (5) Obligations of the United States Government (U.S. Treasury Bills and Notes), (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States.

#### **State Aid**

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2026-27 fiscal year, approximately 39.1% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a “sound basic education” to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's Enacted Budgets were adopted after the April 1 deadline in the State's fiscal years 2023-24 (adopted on May 2, 2023, thirty-one (31) days late), 2024-25 (adopted on April 22, 2024, twenty-one (21) days late) and 2025-26 (adopted on May 9, 2025, thirty-eight (38) days late). As of the date of this Official Statement, the State's 2026-27 budget is thirty-seven (37) days late. The State's Enacted Budgets were adopted by April 1 or shortly thereafter in the State's fiscal years 2016-17 through 2022-23, inclusive. As of the date hereof, the State has not adopted a budget for the State's fiscal year 2026-27. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

#### *Federal Aid Received by the State*

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

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

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

#### *Building Aid*

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

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

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 building aid ratios, the District expects to receive State building aid of approximately 70.4% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

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

### *State Aid History*

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

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

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

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

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

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

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

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

- **Foundation Aid increase:** The budget provides an approximately \$779 million increase in Foundation Aid, bringing total Foundation Aid to about \$27.1 billion statewide. Every district is guaranteed at least a minimum annual increase.
- **Overall School Aid increase:** Total School Aid for the 2026-27 school year is projected at approximately \$39.3 billion, an increase of roughly \$1.6 billion over the prior year.
- **Universal Pre-K expansion:** The legislation significantly expands funding for universal prekindergarten programs. Districts will receive increased per-pupil funding for four-year-old programs, with the goal of statewide universal full-day Pre-K by the 2028-29 school year.
- **Expense-based aids fully funded:** The budget continues statutory reimbursement formulas for Building Aid, Transportation Aid, BOCES Aid and special education expense aids. These aids are projected to increase by roughly \$282 million statewide.
- **Building Aid for renewable energy projects:** Certain renewable energy improvements, including ground-mounted solar facilities, may now qualify as part of a project’s “primary cost allowance” for Building Aid purposes.

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

### *State Aid Litigation*

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

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

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

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

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall.
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts.
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and a 2% minimum increase in Foundation Aid to all school districts.
- FY 2027 Executive Budget: \$27 billion in Foundation Aid, an increase of \$779 million from 2025-26, and a 1% minimum increase in Foundation Aid to all school districts.

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

### State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2020-21	\$36,857,796	\$16,452,884	44.64%
2021-22	36,789,971	16,407,171	44.60
2022-23	38,499,857	17,365,188	45.10
2023-24	39,715,517	17,629,883	44.39
2024-25	39,832,418	17,716,354	44.47
2025-26 (Budgeted)	39,366,206	17,557,026	44.60
2026-27 (Budgeted)	44,131,553	17,235,135	39.10

Source: Audited financial statements for the 2019-2020 fiscal year through and including the 2024-2025 fiscal year, adopted budgets of the District for the 2025-2026 and 2026-27 fiscal years. This table is not audited.

**School Facilities**

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Elementary School	K-6	1,674	1938, 1961, 1994
High School	7-12	1,398	2003

Source: District officials.

**Enrollment Trends**

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-22	1,038	2026-27	1,033
2022-23	1,054	2027-28	1,028
2023-24	1,043	2028-29	1,022
2024-25	1,044	2029-30	1,017
2026-26	1,039	2030-31	1,012

Source: District officials.

**Employees**

The School District employs a total of approximately 210 personnel, including approximately 21 part-time employees. Of said employees, 15 are managerial/confidential personnel who are not represented by unions. The remaining employees are represented by various unions as follows:

<u>Members</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
4	Western Sullivan Association of School Administrators	June 30, 2028
108	Western Sullivan United Teachers	June 30, 2026 <sup>(1)</sup>
83	School Related Personnel	June 30, 2027

<sup>(1)</sup> Currently under negotiations.

Source: District officials.

**Status and Financing of Employee Pension Benefits**

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

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

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

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years. The State’s 2024-25 Enacted Budget included a provision that improved the pension benefits of Tier VI members by modifying the final average salary calculation from 5 years back to 3 years. This measure was effective as of April 1, 2024 for PFRS Tier VI members and April 20, 2024 for ERS Tier VI members. The Governor and Legislative leaders have publicly discussed changes to Tier VI. There is no way to predict as of the date whether the Legislature will adopt, and the Governor will sign into law, changes to Tier VI.

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

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	\$ 407,932	\$ 977,199
2021-2022	435,058	1,042,741
2022-2023	355,293	1,128,298
2023-2024	419,626	1,078,494
2024-2025	600,000	1,275,842
2025-2026 (Budgeted)	582,000	1,153,000
2026-2027 (Budgeted)	650,000	1,100,000

Source: District records.

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

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

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

A chart of average ERS and TRS employer contribution rates as a percent of payroll (2020-21 to 2026-27) is shown below:

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

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

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

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

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

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

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

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established a TRS reserve fund as of June 30, 2019.

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

**Other Post-Employment Benefits**

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

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

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

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

The District contracted with Armory Associates, LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2024 and 2025.

	Balance beginning at:	June 30, 2023	June 30, 2024
		<u>\$ 83,990,758</u>	<u>\$ 84,217,048</u>
<u>Changes for the year:</u>			
Service cost		2,197,143	2,062,978
Interest		2,984,731	3,080,675
Changes of Benefit Terms		-	-
Differences between expected and actual experience		-	549,381
Changes in assumptions or other inputs		(1,208,625)	(2,572,058)
Benefit payments		<u>(3,746,959)</u>	<u>(3,755,956)</u>
Net Changes		<u>\$ 226,290</u>	<u>\$ (634,980)</u>
	Balance ending at:	June 30, 2024	June 30, 2025
		<u><b>\$ 84,217,048</b></u>	<u><b>\$ 83,582,068</b></u>

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

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

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

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

### **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.

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, 2025 and is attached hereto as "APPENDIX – D". In addition, 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. 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 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.

### **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 June 6, 2025. The purpose of the audit was to identify if District officials identified, reported, and implemented needed remediation to reduce lead exposure in potable water outlets. Testing and reporting for lead contamination began in 2016, and subsequent testing cycles have followed:

- Cycle One: September 6, 2016 to October 31, 2016
- Cycle Two: January 1, 2020 to December 31, 2020 (extended to June 30, 2021 due to COVID)
- Cycle Three: January 1, 2023 to December 31, 2025

Key Findings:

- District officials did not properly identify, report or implement needed remediation to reduce lead exposure in all potable water outlets as required by NYS Public Health Law and Department of Health (DOH).
- 136 of the 410 (33%) water outlets identified were not sampled or properly exempted by District officials because the District officials did not have a sampling plan during Cycle Two.
- District officials also did not have a remedial action plan
- District officials did not notify the DOH’s Health Electronic Response Data System (HERDS), staff, parents/guardians in writing as required, nor did they post the test results on the District’s website.

Key Recommendations:

- Develop sampling and remedial action plans for all District water outlets that could be used for drinking and cooking, including details on which water outlets will be considered exempt from sampling and their controls.
- Sample all water outlets that could be used for drinking and cooking and properly secure any water outlets designated as exempt.
- Remediate or implement effective long-term controls for all water outlets that exceed the lead action level.
- Review all work related to the lead testing program for accuracy and completeness.
- Keep accurate records of all remediation efforts, including actions taken and dates performed.

Other than as mentioned above, there have been no recent State Comptrollers audits of the District in the previous 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 to fiscal stress” or “no designation”. Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of “no designation.” This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity’s financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

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

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

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

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

**TAX INFORMATION**

**Taxable Assessed Valuations**

<u>Years Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Hancock	\$ 8,511,210	\$ 8,544,618	\$ 8,521,431	\$ 8,955,548	\$ 9,023,689
Bethel	71,368,067	73,155,520	76,184,711	78,733,529	79,652,506
Callicoon	175,089,743	178,368,962	180,814,643	182,915,385	187,080,819
Cochecton	151,863,677	154,976,958	157,615,802	171,105,890	172,236,698
Delaware	280,359,306	265,164,159	266,435,828	281,805,754	275,742,981
Fremont	99,990,232	102,329,071	105,254,266	117,857,289	115,650,450
Liberty	9,002,943	8,982,670	8,880,153	8,670,065	8,606,549
Tusten	<u>116,377,016</u>	<u>117,084,098</u>	<u>120,331,374</u>	<u>121,787,872</u>	<u>125,305,483</u>
Totals	<u>\$ 912,562,194</u>	<u>\$ 908,606,056</u>	<u>\$ 924,038,208</u>	<u>\$ 971,831,332</u>	<u>\$ 973,302,175</u>

State Equalization Rate:

Towns of:					
Hancock	11.72%	10.83%	8.39%	8.35%	8.00%
Bethel	58.00	50.30	39.30	37.00	33.94
Callicoon	57.10	44.40	38.20	34.00	33.00
Cochecton	67.00	60.00	46.96	41.00	38.40
Delaware	88.50	68.74	58.00	50.00	49.00
Fremont	62.00	50.00	41.50	32.50	32.50
Liberty	72.00	63.30	49.36	41.60	37.59
Tusten	51.00	38.92	33.00	28.00	26.17
Taxable Full Valuation	<u>\$1,447,735,183</u>	<u>\$ 1,789,803,350</u>	<u>\$2,200,023,895</u>	<u>\$ 2,657,410,767</u>	<u>\$ 2,783,276,245</u>

**Tax Rate Per M (Assessed)**

<u>Years Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Towns of:					
Hancock	\$ 109.90	\$ 98.60	\$ 106.13	\$ 90.89	\$ 93.33
Bethel	22.21	21.23	22.66	20.51	22.00
Callicoon	22.56	24.05	23.31	22.32	22.63
Cochecton	19.22	17.80	18.96	18.51	19.44
Delaware	14.55	15.54	15.35	15.18	15.24
Fremont	20.77	21.36	21.46	23.35	22.97
Liberty	17.89	16.87	18.04	18.24	19.86
Tusten	25.26	27.44	26.98	27.11	28.53

**Tax Levy and Collection Record**

<u>Years Ending June 30:</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$ 18,649,791	\$ 19,116,036	\$ 19,593,937	\$ 20,179,796	\$ 20,783,172
Amount Uncollected <sup>(1)</sup>	2,135,272	1,781,310	2,012,717	1,858,891	1,978,115
% Uncollected	11.45%	9.35%	10.27%	9.21%	10.00%

<sup>(1)</sup> School District taxes are made whole by the County. See "Tax Collection Procedure" hereunder.

## Tax Collection Procedure

Tax payments are due September 1st-September 30th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. Payments received from November 1st to November 2nd carry a penalty of 3%. On November 15, all unpaid taxes are turned over to the Counties for re-levy on the following year's town and county tax bills. The School District is reimbursed by the Counties for all unpaid taxes in April of each year and is thus assured of 100% collection of its annual tax levy.

The Sullivan West Central School District Board of Education implemented an installment payment option for taxpayers in Sullivan County, only. When paying by installment, Payment #1 is due by September 30<sup>th</sup>, 2025 for 50% of the total bill. The next payment, Payment #2 gives the taxpayer the choice of paying the second installment which represents 25% of the bill or paying the balance which is the sum of Payment #2 and Payment #3. This must be paid by October 31st, 2025 and includes a 2% interest penalty. The final Payment #3 is due by November 4th, 2025 and offers the option of paying the third installment or Payment #2 and Payment #3 if no payment was made in October. These amounts include 3% interest. All outstanding balances are turned over to Sullivan County and follow the process for unpaid taxes stated above.

## Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Property Tax Levy</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2020-2021	\$ 36,857,796	19,050,891	51.69%
2021-2022	36,789,971	19,343,010	52.58
2022-2023	38,499,857	19,681,379	51.12
2023-2024	39,715,517	18,590,970	46.80
2024-2025	39,832,418	19,270,472	48.37
2025-2026 (Budgeted)	39,366,206	20,783,172	52.79
2026-2027 (Budgeted)	44,131,553	21,404,589	48.50

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

## Larger Taxpayers 2025 Assessment Roll for 2025-2026 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Millennium Pipeline	Utility	\$ 34,402,842
New York State Electric & Gas	Utility	15,236,316
Catskill Resort Lodges Inc.	Resort	2,092,500
Piccolo Trust	Residential	2,352,000
WLMC Propco LLC	Development	1,934,300
Chau Nguyet	Residential	2,082,600
Kenoza Lake Realty	Development	1,842,000
Mogenavland LLC	Development	1,783,700
Ayelet Inc.	Recreation & Entertainment	1,551,500
Spectrum NY	Utility	1,309,257

The District has a Tax Certiorari Reserve account in the amount of \$600,000 for potential certiorari claims.

The larger taxpayers listed above have a total assessed valuation of \$62,235,015 which represents approximately 2.23% of the tax base of the School District.

Source: School 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 \$110,750 or less for the 2026-27 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$88,500 for the 2026-27 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

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

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

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

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Hancock	\$ 7,080	\$ 2,400	4/10/2026
Bethel	30,040	10,920	4/10/2026
Callicoon	29,210	10,750	4/10/2026
Cochecton	34,430	12,690	4/10/2026
Delaware	43,370	16,660	4/10/2026
Fremont	29,130	11,670	4/10/2026
Liberty	36,330	13,550	4/10/2026
Tusten	23,970	9,600	4/10/2026

\$806,000 of the District’s \$20,783,172 school tax levy for 2025-2026 is expected to be exempted by the STAR Program. The District expects to receive all of such exempt taxes from the State in January 2026..

Approximately \$831,000 of the District’s \$21,404,589 school tax levy for 2026-2027 is expected to be exempted by the STAR Program. The District expects to receive all of such exempt taxes from the State in January 2027.

### 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 estimated total annual property tax bill of a- \$100,000 market value residential property located in the School District is approximately \$2,068 including only School District and Library taxes.

## **TAX LEVY LIMITATION LAW**

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

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

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

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

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

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

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

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

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

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

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

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

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

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

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

## **Statutory Procedure**

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

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

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

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

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

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

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

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

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

**Debt Outstanding End of Fiscal Year**

<u>Fiscal Year Ending June 30<sup>th</sup>:</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$ 9,240,000	\$ 6,250,000	\$ 3,170,000	\$ 0	\$ 0
Bond Anticipation Notes	0	0	0	8,000,000	15,900,000
Other Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 9,240,000</u>	<u>\$ 6,250,000</u>	<u>\$ 3,170,000</u>	<u>\$ 8,000,000</u>	<u>\$ 15,900,000</u>

Note: The table does not include any lease purchase installment agreements.

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of June 5, 2026.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	-	\$ 0
Bond Anticipation Notes	June 26, 2026	<u>15,900,000</u> <sup>(1)</sup>
	Total Indebtedness	<u>\$ 15,900,000</u>

<sup>(1)</sup> To be partially redeemed and renewed with the proceeds of the Notes and \$1,051,891 available funds of the District.

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## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 5, 2026:

Full Valuation of Taxable Real Property .....	\$ 2,783,276,245
Debt Limit 10% thereof .....	278,327,624

### Inclusions:

Bonds .....	\$ 0	
Bond Anticipation Notes (BANs): .....	<u>15,900,000</u>	
Total Inclusions prior to issuance of the Notes .....	<u>15,900,000</u>	
Less: BANs being redeemed from appropriations .....	(1,051,891)	
Add: New money proceeds of the Notes .....	<u>0</u>	
Total Net Inclusions after issuance of the Notes .....		\$ 14,848,109

### Exclusions:

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

Total Net Indebtedness .....	\$ 14,848,109
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Net Debt-Contracting Margin .....	\$ 263,479,515
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The percent of debt contracting power exhausted is .....	5.33%
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<sup>(1)</sup> Based on preliminary 2026-2027 building aid estimates, the District anticipates State Building aid of 70.4% 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.

## Bonded Debt Service

The District currently has no outstanding bonds.

## Cash Flow Borrowings

The School District has not found it necessary to issues revenue anticipation notes or tax anticipation notes in the past five fiscal years and has no future plans to do so.

## Capital Project Plans

On October 19, 2022, voters passed a capital referendum totaling \$25,855,000 of which \$3,363,635 will come out of the 2016 Capital Reserve. The District issued \$15,900,000 bond anticipation notes on June 25, 2025 against this authorization. The Proceeds of the Notes along with \$1,051,891 available funds of the District will partially redeem and renew the outstanding bond anticipation notes for the aforementioned capital project.

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

**Estimated Overlapping Indebtedness**

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

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:				
Sullivan	6/29/2024	\$ 95,350,000	16.31%	\$ 15,551,585
Delaware	12/31/2024	3,485,000	1.12%	39,032
Town of:				
Hancock	12/31/2024	325,588	15.90%	51,768
Bethel	6/24/2025	13,004,314	15.19%	1,975,355
Callicoon	12/31/2024	533,332	81.52%	434,772
Cochecton	12/31/2024	-	100.00%	-
Delaware	12/31/2024	734,227	100.00%	734,227
Fremont	12/31/2024	-	63.99%	-
Liberty	12/31/2024	2,398,400	1.73%	41,492
Tusten	12/31/2024	-	94.97%	-
Total:				<u>\$ 18,828,232</u>

<sup>(1)</sup> Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

Note: Gross indebtedness sourced from local government data provided by the State Comptroller’s office. Information regarding excludable debt for municipalities, such as water debt, sewer debt and budgeted appropriations, to the extent such indebtedness may be applicable to the respective municipality, is not provided in the local government data the above table is sourced from.

**Debt Ratios**

The following table sets forth certain ratios relating to the District's indebtedness as of June 5, 2026:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 14,848,109	\$ 1,462.86	0.53%
Net Indebtedness Plus Gross Overlapping Indebtedness <sup>(d)</sup> .....	33,676,341	3,317.86	1.20

<sup>(a)</sup> The current estimated population of the District is 10,150. (See “THE SCHOOL DISTRICT - Population” herein.)  
<sup>(b)</sup> The District's full value of taxable real estate for 2025-26 is \$2,783,276,245. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)  
<sup>(c)</sup> See "Calculation of Net Direct Indebtedness" herein.  
<sup>(d)</sup> Estimated gross overlapping indebtedness is \$18,828,232. (See "Estimated Overlapping Indebtedness" herein.)

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

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

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

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

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

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

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

## MARKET AND RISK FACTORS

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

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

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

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

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

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

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

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

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

## **Cybersecurity**

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

## **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. These requirements include provisions which prescribe yield and other limits relative to the investment and expenditures of the proceeds of the Notes and other amounts and require that certain earnings be rebated to the federal government. The District will agree to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Non-compliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which non-compliance is ascertained.

The Code imposes a 30% branch profits tax on the earnings and profits of a United States branch of certain foreign corporations attributable to its income effectively connected (or treated as effectively connected) with a United States trade or business. Included in the earnings and profits of the United States branch of a foreign corporation is income that would be effectively connected with the United States trade or business if such income were taxable, such as the interest on the Notes. Existing United States income tax treaties may modify, reduce, or eliminate the branch profits tax, except in cases of treaty shopping.

The Code further provides that interest on the Notes is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or railroad retirement benefits is to be included in taxable income of individuals. In addition, certain S Corporations may have a tax imposed on passive income, including tax-exempt interest, such as interest on the Notes.

Prospective purchasers should consult their tax advisors with respect to the calculations of the alternative minimum tax or foreign branch profits tax liability, and the tax on passive income of S Corporations or the inclusion of Social Security or other retirement payments in taxable income.

In the opinion of Bond Counsel, assuming compliance with certain requirements of the Code, under existing laws, interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed by the Code. However, interest on the Notes that is included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax imposed under the Code. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

The opinion of Bond Counsel described herein with respect to the federal income tax treatment of interest paid on the Notes is based upon the current provisions of the Code. There can be no assurance that the Code will not be amended in the future so as to reduce or eliminate such favorable federal income tax treatment on the Notes. Any such future legislation would have an adverse effect on the market value of the Notes.

In addition, in the opinion of Bond Counsel, under existing laws, so long as interest is excluded from gross income for Federal income tax purposes, 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.

## LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the unqualified legal opinion of Bond, Schoeneck & King, PLLC, Bond Counsel, Syracuse, New York. 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 all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amounts (ii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City of New York; and (iii) interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Code; however, interest on the Notes that is included in the adjusted financial statement income of certain corporations is not excluded from the corporate alternative minimum tax imposed under the Code. The opinions of Bond Counsel set forth in (iii) above are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Notes. It is to be understood that the rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be also subject to exercise of judicial discretion in appropriate cases.

Bond Counsel has not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement (except to the extent, if any, stated in the Official Statement) or any other offering material relating to the Notes, and Bond Counsel expresses no opinion relating thereto (excepting only matters set forth as Bond Counsel's opinion in the Official Statement).

## LITIGATION

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

Tax petitions that have been filed by The Millennium Pipeline Company LLC. challenge property assessments across multiple towns, including five within our district. Of these proceedings, one has been resolved without refund or reduction in assessment. It is anticipated that another will be similarly discontinued. Any resulting assessment reductions as to the remaining proceedings could decrease the district's future tax base and shift a larger portion of the tax levy to other taxpayers. The District has taken formal legal steps by petitioning the court and is working in partnership with the towns and the County Attorney so we can protect our community's resources and advocate for a fair and consistent outcome. While settlement negotiations with Millennium Pipeline Company LLC are ongoing, it appears likely that these matters will be resolved without the need for refunds from the district. However, out of an abundance of caution, We have set aside just over \$600,000 in our tax certiorari reserve to cover any potential refunds due from 2025-26."

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

### **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into an Undertaking to provide Material Event Notices, a description of which is attached hereto as “APPENDIX – C”.

#### **Historical Compliance**

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

### **MUNICIPAL ADVISOR**

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

### **CUSIP IDENTIFICATION NUMBERS**

The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the purchaser, as the “dealer who acquires” the issue, is responsible for the registration fee to the CUSIP Bureau for this service. 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 have a rating completed after the sale pending the approval of the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District’s Continuing Disclosure Undertakings. (See “APPENDIX - C” herein.).

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 Notes.

## MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement that 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.

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

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

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

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

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

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District will act as Paying Agent for the Notes. The District's contact information is as follows: Ms. Claudia Dietz, Business Official, 33 Schoolhouse Road – P.O. Box 308, Jeffersonville, New York 12748 telephone (845) 482-4610, fax (845) 482-4610, email [dietzcla@swcsd.org](mailto:dietzcla@swcsd.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](http://www.fiscaladvisors.com) or [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com).

This Official Statement has been duly executed and delivered by the President of the Board of Education of the School District.

**SULLIVAN WEST CENTRAL SCHOOL DISTRICT**

**ROSE JOYCE-TURNER**  
**PRESIDENT OF THE BOARD OF EDUCATION**

**Dated: June 5, 2026**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b><u>ASSETS</u></b>					
Unrestricted Cash	\$ 6,754,078	\$ 9,339,675	\$ 7,803,126	\$ 7,222,408	\$ 9,029,267
Restricted Cash	7,767,647	7,375,576	8,762,514	9,668,696	12,147,186
Accounts Receivable	2,956	10,708	15,988	11,665	10,949
Due from Other Funds	1,284,648	1,205,524	1,035,572	1,959,556	1,129,959
State and Federal Aid Receivable	635,537	291,500	323,402	309,291	547,392
Due from Other Governments	657,820	442,713	700,726	959,674	887,574
Other Receivables	-	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 17,102,686</u>	<u>\$ 18,665,696</u>	<u>\$ 18,641,328</u>	<u>\$ 20,131,290</u>	<u>\$ 23,752,327</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Accounts Payable	\$ 364,203	\$ 494,405	\$ 423,070	\$ 648,635	\$ 382,153
Accrued Liabilities	227,679	507,495	291,676	378,377	385,842
Due to Other Governments	977,571	2,010,345	1,376,390	1,102,859	1,048,190
Due to Other Funds	2,049,588	1,540,334	1,388,896	1,866,261	1,866,261
Due to Teachers' Retirement System	1,046,052	1,129,943	1,244,106	1,226,759	1,264,671
Due to Employees' Retirement System	171,667	169,274	187,954	218,417	229,115
Compensated Absences	-	-	-	-	-
Deferred Revenue	850	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>\$ 4,837,610</u>	<u>\$ 5,851,796</u>	<u>\$ 4,912,092</u>	<u>\$ 5,441,308</u>	<u>\$ 5,176,232</u>
<b><u>FUND EQUITY</u></b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	7,767,647	7,375,576	8,762,614	9,668,696	12,147,186
Assigned	2,921,396	3,802,600	3,294,866	3,340,787	4,698,260
Unassigned	1,576,033	1,635,724	1,671,856	1,680,499	1,730,649
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUND EQUITY	<u>\$ 12,265,076</u>	<u>\$ 12,813,900</u>	<u>\$ 13,729,336</u>	<u>\$ 14,689,982</u>	<u>\$ 18,576,095</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 17,102,686</u>	<u>\$ 18,665,696</u>	<u>\$ 18,641,428</u>	<u>\$ 20,131,290</u>	<u>\$ 23,752,327</u>

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

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 17,156,791	\$ 17,541,574	\$ 18,043,652	\$ 18,590,970	\$ 19,270,472
Real Property Tax Items	1,894,100	1,801,436	1,637,727	1,556,310	1,178,503
Charges for Services	129,693	146,268	189,864	298,821	95,552
Use of Money & Property	8,755	9,182	296,047	600,081	499,272
Sale of Property and Compensation for Loss	399	7,115	9,557	6,450	2,354
Miscellaneous	857,833	758,868	828,209	1,002,854	1,027,130
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	16,452,884	16,407,171	17,365,188	17,629,883	17,716,354
Revenues from Federal Sources	357,341	118,356	129,613	30,148	42,781
Total Revenues	<u>\$ 36,857,796</u>	<u>\$ 36,789,970</u>	<u>\$ 38,499,857</u>	<u>\$ 39,715,517</u>	<u>\$ 39,832,418</u>
Other Sources:					
Interfund Transfers	<u>361,345</u>	<u>15,649</u>	<u>20,289</u>	<u>943</u>	<u>3,430,448</u>
Total Revenues and Other Sources	<u>\$ 37,219,141</u>	<u>\$ 36,805,619</u>	<u>\$ 38,520,146</u>	<u>\$ 39,716,460</u>	<u>\$ 43,262,866</u>
<u>EXPENDITURES</u>					
General Support	\$ 3,703,750	\$ 4,930,842	\$ 4,271,461	\$ 4,477,062	\$ 4,461,037
Instruction	15,642,407	16,131,749	16,550,253	17,244,024	18,048,368
Pupil Transportation	1,833,285	2,318,953	2,616,412	2,611,440	3,174,412
Community Services	-	-	-	-	-
Employee Benefits	9,265,482	9,167,623	9,701,514	10,635,298	11,169,227
Debt Service	-	17,758	25,868	25,868	2,041,879
Total Expenditures	<u>\$ 30,444,924</u>	<u>\$ 32,566,925</u>	<u>\$ 33,165,508</u>	<u>\$ 34,993,692</u>	<u>\$ 38,894,923</u>
Other Uses:					
Interfund Transfers	<u>4,754,637</u>	<u>3,689,870</u>	<u>4,439,202</u>	<u>3,762,122</u>	<u>481,830</u>
Total Expenditures and Other Uses	<u>\$ 35,199,561</u>	<u>\$ 36,256,795</u>	<u>\$ 37,604,710</u>	<u>\$ 38,755,814</u>	<u>\$ 39,376,753</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,019,580</u>	<u>548,824</u>	<u>915,436</u>	<u>960,646</u>	<u>3,886,113</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	10,245,496	12,265,076	12,813,900	13,729,336	14,689,982
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 12,265,076</u>	<u>\$ 12,813,900</u>	<u>\$ 13,729,336</u>	<u>\$ 14,689,982</u>	<u>\$ 18,576,095</u>

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

GENERAL FUND

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

Fiscal Years Ending June 30:	2025			2026	2027
	Original Budget	Revised Budget	Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 19,229,796	\$ 19,229,796	\$ 19,270,472	\$ 20,783,172	\$ 21,404,589
Real Property Tax Items	1,322,397	1,322,397	1,178,503	1,026,008	2,891,829
Charges for Services	28,000	28,000	95,552	-	-
Use of Money & Property	155,000	155,000	499,272	-	-
Sale of Property and Compensation for Loss	-	-	2,354	-	-
Miscellaneous	280,000	280,000	1,027,130	-	-
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	18,148,832	18,148,832	17,716,354	17,557,026	17,235,135
Revenues from Federal Sources	42,000	42,000	42,781	-	-
<b>Total Revenues</b>	<b>\$ 39,206,025</b>	<b>\$ 39,206,025</b>	<b>\$ 39,832,418</b>	<b>\$ 39,366,206</b>	<b>\$ 41,531,553</b>
<b>Other Sources:</b>					
Appropriated Reserves	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -
Appropriated Fund Balance	-	-	-	3,900,000	2,600,000
Prior Year Encumbrances	-	840,787	-	-	-
Interfund Transfers	300,000	300,000	3,430,448	-	-
<b>Total Revenues and Other Sources</b>	<b>\$ 42,006,025</b>	<b>\$ 42,846,812</b>	<b>\$ 43,262,866</b>	<b>\$ 43,266,206</b>	<b>\$ 44,131,553</b>
<b>EXPENDITURES</b>					
General Support	\$ 5,351,767	\$ 5,576,370	\$ 4,461,037	\$ 5,275,233	\$ 5,100,053
Instruction	19,087,538	19,655,240	18,048,368	20,232,893	19,569,562
Pupil Transportation	4,574,011	3,578,428	3,174,412	3,277,495	3,866,400
Community Services	3,400	3,400	-	3,400	3,400
Employee Benefits	12,507,941	11,506,974	11,169,227	12,826,455	13,497,310
Debt Service	25,868	2,043,900	2,041,879	45,730	36,600
<b>Total Expenditures</b>	<b>\$ 41,550,525</b>	<b>\$ 42,364,312</b>	<b>\$ 38,894,923</b>	<b>\$ 41,661,206</b>	<b>\$ 42,073,325</b>
<b>Other Uses:</b>					
Interfund Transfers	455,500	482,500	481,830	1,605,000	2,058,228
<b>Total Expenditures and Other Uses</b>	<b>\$ 42,006,025</b>	<b>\$ 42,846,812</b>	<b>\$ 39,376,753</b>	<b>\$ 43,266,206</b>	<b>\$ 44,131,553</b>
Excess (Deficit) Revenues Over Expenditures	-	-	3,886,113	-	-
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	-	-	14,689,982	-	-
Prior Period Adjustments (net)	-	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,576,095</b>	<b>\$ -</b>	<b>\$ -</b>

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

**BONDED DEBT SERVICE**

As of the date of this Official Statement, the District does not have any bonded debt obligations outstanding

**UNDERTAKING TO PROVIDE MATERIAL EVENT NOTICES**

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

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

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

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

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

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

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

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

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

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

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**SULLIVAN WEST CENTRAL SCHOOL DISTRICT**  
**DELAWARE AND SULLIVAN COUNTIES, NEW YORK**

**FINANCIAL STATEMENTS**  
**AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2025**

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

***SULLIVAN WEST CENTRAL SCHOOL DISTRICT***

***FINANCIAL STATEMENTS***

***JUNE 30, 2025***

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
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JUNE 30, 2025

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SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
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JUNE 30, 2025

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## INDEPENDENT AUDITORS' REPORT

To The Board of Education of the  
Sullivan West Central School District  
Jeffersonville, New York

### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan West Central School District, New York, as of June 30, 2025, and the respective changes in financial position for the year then ended in conformity 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 Sullivan West Central School District, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and other required supplementary information on pages 5 through 13 and 57 through 62, respectively, 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 Sullivan West Central School District, New York’s financial statements as a whole. The accompanying combining non-major fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 non-major fund financial statements and other schedules are fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Matters**

The prior year summarized comparative information was derived from the District’s June 30, 2024 financial statements and, in our report dated October 1, 2024, we expressed an unmodified opinion on the financial statements.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2025 on our consideration of the Sullivan West Central School District, New York’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sullivan West Central School District, New York’s internal control over financial reporting and compliance.

*Cooper Arias, LLP*

Mongaup Valley, New York  
October 3, 2025

# Management's Discussion and Analysis

Sullivan West Central School District Review

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

**Financial Highlights**

Key financial highlights for 2025 are as follows:

**District – Wide Statements**

- Tax Revenues accounted for \$20,448,974 or 48% of total revenues, State and Federal sources accounted for \$19,733,239 or 47% of total revenues, and Miscellaneous accounted for \$1,304,171 or 3% of total revenues.
- Total Net Position was (\$28,496,967) at June 30, 2025, up \$2,136,058 from the prior year’s amount.

**Fund Financial Statements**

- Among major funds, the General Fund had \$43,262,866 in total revenues, of which \$20,448,974 or 47% was made up of tax revenues, including STAR payments, and \$17,759,135 or 41%, was made up of state and federal sources. The General Fund expenditures totaled \$39,376,749 for the year ended June 30, 2025. The General Fund’s fund balance increased from the amount of \$14,689,982 at June 30, 2024, to \$18,576,095 at June 30, 2025. Of the total fund balance, \$4,698,260 was assigned (\$3,900,000 designated to reduce the subsequent year’s tax levy and \$798,260 encumbered for the subsequent year) and \$12,147,187 was restricted, leaving \$1,730,649 as unassigned. The unassigned fund balance is in compliance with the 4% requirement.

**Using this Annual Report**

This annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

**Reporting the District as a Whole**

*The Statement of Net Position and Statement of Activities*

One of the most important questions asked about the District’s finances is “Is the District better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year’s revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the District’s net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the District’s financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment and facility conditions in arriving at their conclusion regarding the overall health of the District.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, the governmental and fiduciary, use different accounting approaches.

*Governmental Funds*

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

*Fiduciary Funds:*

The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. 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.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**Financial Analysis of the School District as a Whole  
Condensed Statement of Net Statement of Net Position (in Thousands of Dollars)**

Net Position	2025	2024	Increase (Decrease)
Current Assets	\$ 38,776	\$ 25,222	53.74%
Net Pension Asset	-	-	0.00%
Capital Assets, Net	36,132	32,282	11.93%
Total Assets	74,908	57,504	30.27%
Total Deferred Outflows of Resources	9,852	13,057	-24.55%
Current Liabilities	19,643	3,727	427.05%
Long-Term Liabilities	85,781	87,087	-1.50%
Total Liabilities	105,424	90,814	16.09%
Total Deferred Inflows of Resources	9,560	10,379	-7.89%
Net Investment in Capital Assets	30,734	32,267	-4.75%
Restricted	12,357	9,868	25.22%
Unrestricted	(71,588)	(72,768)	1.62%
Total Net Position	\$ (28,497)	\$ (30,633)	6.97%

*Note: Totals may not add due to rounding.*

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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**Governmental Activities**

The laws in New York State require the District to seek voter approval for the general fund-operating budget. Without voter approval, school districts are placed on a contingency budget, which limits expenditures to those considered essential to maintain an educational program, preserve property and assure the health and safety of students and staff. The budget for the 2025-2025 school year was approved by the voters.

School districts are dependent upon property taxes as a primary source of revenue. Since the District must rely heavily on voter approval for funding levels, management of resources is of paramount concern to District administration and the voting public.

*The District's Funds*

Information about the School District's major funds starts on Page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$42.4 million and expenditures of \$46.8 million, exclusive of interfund transfers and proceeds of debt.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**General Fund Activity (in Thousands of Dollars)**

Revenues and Other Sources	2025	2024	Increase or (Decrease)
General Fund	\$ 43,263	\$ 39,716	8.93%
Special Aid Fund	1,489	1,932	-22.93%
School Lunch Fund	728	654	11.31%
Capital Projects	2,300	401	473.57%
Debt Service	383	3,414	-88.78%
Miscellaneous Special Revenue	220	211	4.27%
Total	<u>\$ 48,383</u>	<u>\$ 46,328</u>	<u>4.44%</u>
Expenditures and Other Uses			
General Fund	\$ 39,377	\$ 38,756	1.60%
Special Aid Fund	1,489	1,932	-22.93%
School Lunch Fund	762	699	9.01%
Capital Projects	8,839	655	1249.47%
Debt Service	51	3,260	-98.44%
Miscellaneous Special Revenue	227	167	35.93%
Total	<u>\$ 50,745</u>	<u>\$ 45,469</u>	<u>11.60%</u>
Gains or (Losses)			
General Fund	\$ 3,886	\$ 960	304.79%
Special Aid Fund	-	-	0.00%
School Lunch Fund	(34)	(45)	24.44%
Capital Projects	(6,539)	(254)	-2474.41%
Debt Service	332	154	115.58%
Miscellaneous Special Revenue	(7)	44	115.91%
Total	<u>\$ (2,362)</u>	<u>\$ 859</u>	<u>374.97%</u>
Fund Balances			
General	\$ 18,575	\$ 14,689	26.46%
Special Aid	-	-	0.00%
School Lunch	50	84	-40.48%
Capital Projects	(1,897)	4,642	140.87%
Debt Service	2,075	1,743	19.05%
Miscellaneous Special Revenue	332	339	-2.06%
Total	<u>\$ 19,135</u>	<u>\$ 21,497</u>	<u>-10.99%</u>

**General Fund Budget Information**

The District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant fund is the General Fund. The adopted budget and subsequent modifications to the General Fund budget are detailed in the Required Supplementary Information on pages 57 and 58 in the financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

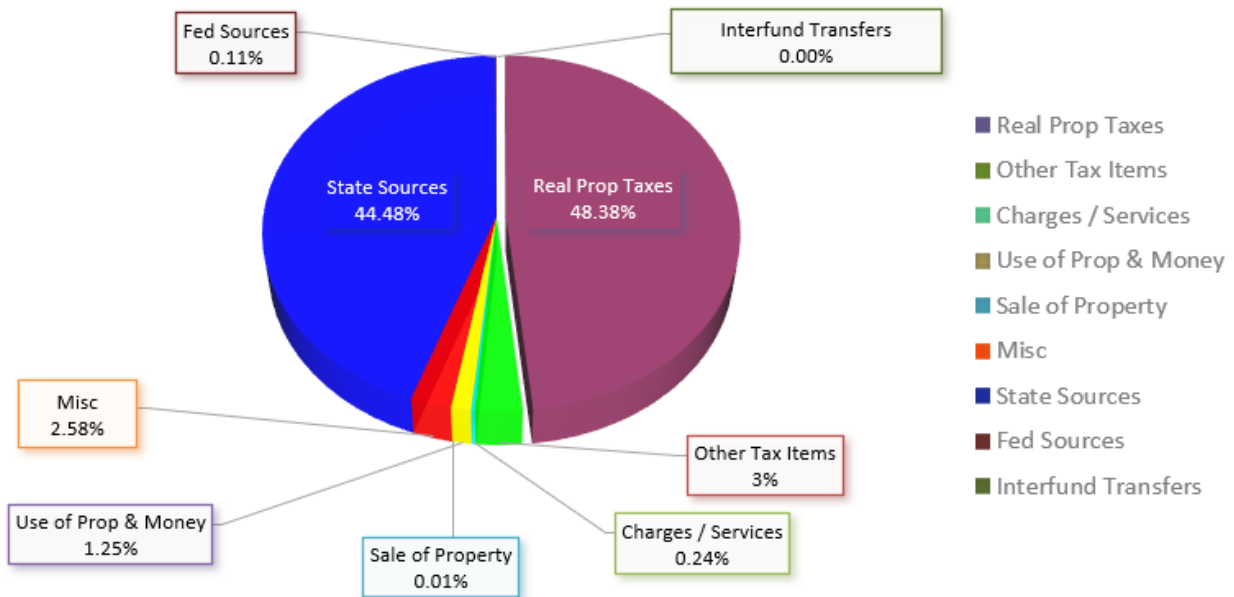
**General Fund Activity (in Thousands of Dollars)**

The tables that follow assist in illustrating the financial activities of the general fund.

Revenues	2025	2024	% Change
Real Property Taxes	\$ 19,270	\$ 18,591	3.65%
Other Tax Items, incl. STAR	1,179	1,556	-24.23%
Charges for Services	96	299	-67.89%
Use of Money & Property	499	600	-16.83%
Sale of Property & Compensation for Loss	2	6	-66.67%
Miscellaneous	1,027	1,003	2.39%
State Sources	17,716	17,630	0.49%
Federal Sources	43	30	43.33%
Interfund Transfers	-	1	-100.00%
<b>Total Revenues</b>	<b>\$ 39,832</b>	<b>\$ 39,716</b>	<b>0.29%</b>

*Note: Totals may not add due to rounding.*

**SOURCES OF REVENUES FOR FISCAL YEAR 2025**



Overall revenues were up \$116 thousand or .3% from last year.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

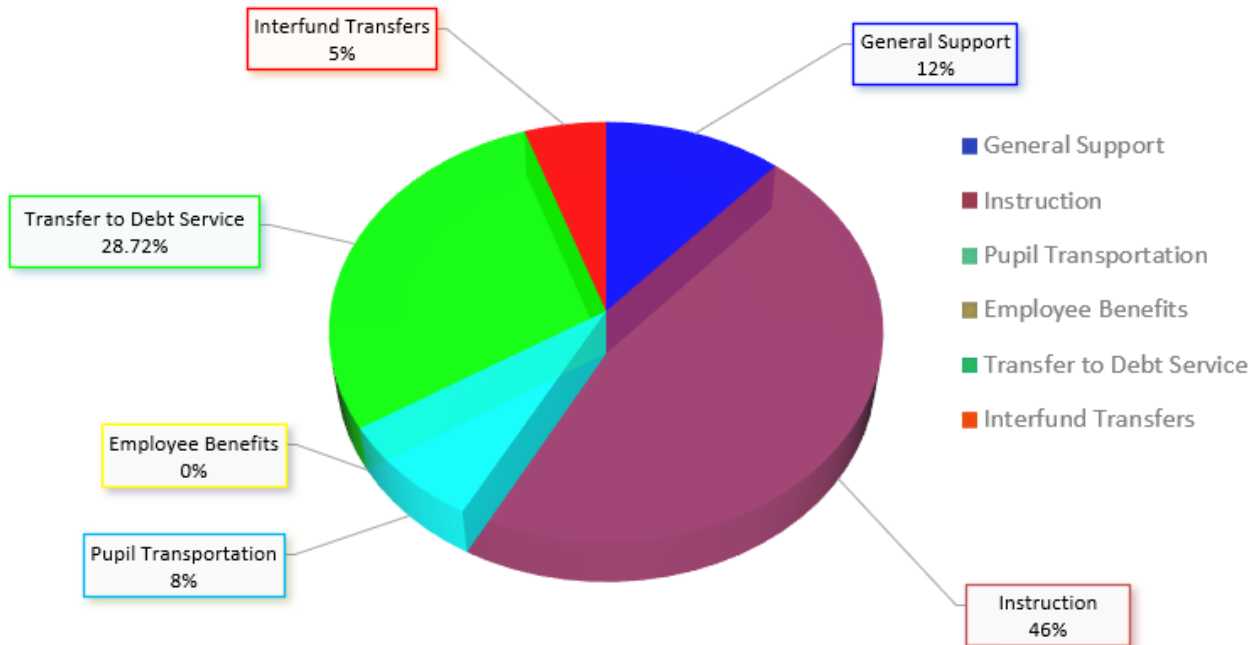
**General Fund Activity (in Thousands of Dollars) (Continued)**

Expenditures	2025	2024	% Change
General Support	\$ 4,461	\$ 4,477	-0.36%
Instruction	18,048	17,244	4.66%
Pupil Transportation	3,174	2,611	21.56%
Community Service	-	-	0.00%
Employee Benefits	11,169	10,635	5.02%
Debt Service	2,042	26	7753.85%
Interfund Transfers	-	3,762	-100.00%
<b>Total Expenditures</b>	<b>\$ 38,894</b>	<b>\$ 38,755</b>	<b>0.36%</b>

*Note: Totals may not add due to rounding.*

The expenditures increased \$139 thousand or .4%. The largest cost increase was in the debt service category, which represents a difference of \$2 million. Instruction experienced an increase of \$804 thousand. General support, pupil transportation, and employee benefits represent a total increase of \$1.9 million. Interfund transfers decreased by \$3.7 million.

**SOURCES OF EXPENSES FOR FISCAL YEAR 2025**



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

**Capital Assets**

	2025	2024	% Change
Land	\$50	\$50	0.00%
Construction In Progress	2,471	1,850	33.57%
Building and Improvements	60,851	56,140	8.39%
Infrastructure	1,002	1,002	0.00%
Machinery and Equipment	1,969	1,911	3.04%
Vehicles	257	257	0.00%
<hr/>			
Total	66,600	61,210	8.81%
Accumulate Depreciation	30,469	28,929	5.32%
<hr/>			
Total Capital Assets, Net	<u>36,131</u>	<u>32,281</u>	<u>11.93%</u>

The District has \$36 million invested in capital assets, net of \$30 million in accumulated depreciation, as of June 30, 2025. During the year ended June 30, 2025, \$9 million was expended on furniture, equipment and capital construction. Depreciation for the year ended June 30, 2025, was \$1.5 million.

**Debt**

As of June 30, 2025, the District has BANs payable of \$15.9 million and installment debt of \$75 thousand. The District paid \$197 thousand in interest throughout the year. In October 2022, a voter referendum was passed to approve capital work totaling \$25,855,000 of which \$3,363,635 will come out of the 2016 Capital Reserve. This would leave a balance of \$22,491,365 to bond. This referendum will result in the new debt going on the books as the old debt comes off the books allowing for a smooth transition that will minimize the effect on the tax levy and tax payers.

**Factors Bearing on the District’s Future**

The Board of Education received voter approval on the budget that has a 2.99% increase on the tax levy for the 2025-26 year. This budget is within the tax levy limit. The Board of Education has continued to present a budget that follows their financial plan. Moreover, as in the past, Sullivan West remains committed to seek and implement cost savings and efficiencies throughout the district’s operations in an effort to stabilize taxes for our constituents.

All contracts with staff are settled. Agreements for all personnel are critical to planning future budgets and understanding our financial position.

**Contacting the District’s Financial Management**

It is the intent of this report to provide the District’s citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Business Office at Sullivan West Central School District; 33 Schoolhouse Road; Jeffersonville, NY 12748.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30,

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 23,955,107	\$ 12,144,958
Cash - Restricted	12,357,248	9,868,394
Accounts Receivable	10,949	11,665
State and Federal Aid Receivable	1,542,537	2,205,356
Due From Other Governments	887,574	959,674
Inventory	<u>22,781</u>	<u>31,552</u>
Total Current Assets	<u>38,776,196</u>	<u>25,221,599</u>
Non-Current Assets:		
Net Pension Asset	1,726,726	-
Capital Assets, net	<u>36,131,873</u>	<u>32,281,900</u>
Total Non-Current Assets	<u>37,858,599</u>	<u>32,281,900</u>
TOTAL ASSETS	<u>76,634,795</u>	<u>57,503,499</u>
DEFERRED OUTFLOW OF RESOURCES		
Pensions	5,081,446	6,147,346
OPEB Liability	<u>4,770,877</u>	<u>6,909,569</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>9,852,323</u>	<u>13,056,915</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30,

(Continued)

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 793,242	\$ 691,049
Accrued Liabilities	387,360	378,957
Due To Other Governments	1,048,239	1,133,790
Bond Anticipation Notes	15,900,000	-
Due To TRS	1,264,671	1,226,759
Due To ERS	241,051	228,778
Unearned Revenues	<u>8,454</u>	<u>67,763</u>
<b>Total Current Liabilities</b>	<u>19,643,017</u>	<u>3,727,096</u>
<b>LIABILITIES</b>		
Non-Current Liabilities		
Due Within One Year:		
Installment Purchase	40,722	7,321
Retirement Incentives	50,000	110,000
Total OPEB Liability	3,800,000	3,800,000
Due Beyond One Year:		
Installment Purchase	34,761	7,705
Retirement Incentives	20,000	30,000
Total OPEB Liability	79,782,068	80,417,048
Compensated Absences	346,272	449,378
Net Pension Liability	<u>1,707,366</u>	<u>2,265,830</u>
<b>Total Non-Current Liabilities</b>	<u>85,781,189</u>	<u>87,087,282</u>
<b>TOTAL LIABILITIES</b>	<u>105,424,206</u>	<u>90,814,378</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	2,216,022	1,197,074
OPEB Liability	<u>7,343,857</u>	<u>9,181,987</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>9,559,879</u>	<u>10,379,061</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	30,733,840	32,266,874
Restricted	12,357,248	9,868,394
Unrestricted	<u>(71,588,055)</u>	<u>(72,768,293)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (28,496,967)</u>	<u>\$ (30,633,025)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025  
(WITH COMPARATIVE NET FIGURES FOR THE YEAR ENDED JUNE 30, 2024)

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>		<u>POSITION</u>	<u>2024</u>
<b>FUNCTIONS/PROGRAMS</b>						
General Support	\$ 5,931,955	\$ -	\$ 25,348	\$ -	\$ (5,906,607)	\$ (5,750,337)
Instruction	30,151,379	95,552	1,466,750	-	(28,589,077)	(29,426,980)
Pupil Transportation	3,304,616	-	115,011	-	(3,189,605)	(2,683,562)
Debt Service	253,404	-	-	-	(253,404)	-
School Lunch Program	793,525	96,469	630,515	-	(66,541)	(24,618)
<b>TOTAL FUNCTIONS/PROGRAMS</b>	<b>40,434,879</b>	<b>192,021</b>	<b>2,237,624</b>	<b>-</b>	<b>(38,005,234)</b>	<b>(37,885,497)</b>
<b>GENERAL REVENUES</b>						
Real Property Tax					19,270,472	18,590,970
Other Tax Items					1,178,503	1,556,310
Investment Earnings					749,584	763,086
Sale Of Property and Compensation For Loss					2,354	6,450
Premium on Obligation					140,740	-
Miscellaneous Local Sources					1,040,504	1,200,299
State Sources					17,716,354	17,629,883
Federal Sources					42,781	30,148
<b>TOTAL GENERAL REVENUES</b>					<b>40,141,292</b>	<b>39,777,146</b>
<b>CHANGE IN NET POSITION</b>					<b>2,136,058</b>	<b>1,891,649</b>
<b>TOTAL NET POSITION- Beginning of Year</b>					<b>(30,633,025)</b>	<b>(32,524,674)</b>
<b>TOTAL NET POSITION- End of Year</b>					<b>\$ (28,496,967)</b>	<b>\$ (30,633,025)</b>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2024 TOTALS</u>
<b>ASSETS</b>							
Cash	\$ 9,029,267	\$ 72,469	\$ 119,041	\$ 12,539,323	\$ 2,195,007	\$ 23,955,107	\$ 12,144,958
Cash - Restricted	12,147,186	-	-	-	210,062	12,357,248	9,868,394
Accounts Receivable	10,949	-	-	-	-	10,949	11,665
Due From Other Funds	1,129,959	-	484	1,866,261	-	2,996,704	3,825,817
Due From State and Federal	547,392	945,619	49,526	-	-	1,542,537	2,205,356
Due From Other Governments	887,574	-	-	-	-	887,574	959,674
Inventories	-	-	22,781	-	-	22,781	31,552
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
<b>TOTAL ASSETS</b>	<u>\$ 23,752,327</u>	<u>\$ 1,018,088</u>	<u>\$ 191,832</u>	<u>\$ 14,405,584</u>	<u>\$ 2,405,069</u>	<u>\$ 41,772,900</u>	<u>\$ 29,047,416</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 382,153	\$ 8,067	\$ 54	\$ 402,968	\$ -	\$ 793,242	\$ 691,049
Accrued Liabilities	385,842	-	1,518	-	-	387,360	378,957
Due To Other Funds	1,866,261	1,009,021	121,422	-	-	2,996,704	3,825,817
Bond Anticiaption Notes Payable	-	-	-	15,900,000	-	15,900,000	-
Due To Other Governments	1,048,190	-	49	-	-	1,048,239	1,133,790
Due To Teachers' Retirement System	1,264,671	-	-	-	-	1,264,671	1,226,759
Due To Employees' Retirement System	229,115	-	11,936	-	-	241,051	228,778
Unearned Revenues	-	1,000	7,454	-	-	8,454	67,763
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
<b>TOTAL LIABILITIES</b>	<u>5,176,232</u>	<u>1,018,088</u>	<u>142,433</u>	<u>16,302,968</u>	<u>-</u>	<u>22,639,721</u>	<u>7,552,913</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2024 TOTALS</u>
FUND BALANCES							
Non-spendable:							
Inventory	\$ -	\$ -	\$ 22,781	\$ -	\$ -	\$ 22,781	\$ 31,552
Restricted:							
Tax Certiorari	316,155	-	-	-	-	316,155	383,649
Unemployment Insurance	73,796	-	-	-	-	73,796	73,043
Employee Benefit Accrued Liability	310,445	-	-	-	-	310,445	295,878
Workers Compensation	2,600,000	-	-	-	-	2,600,000	2,206,217
Retirement Contribution - ERS	1,134,765	-	-	-	-	1,134,765	1,299,163
Retirement Contribution - TRS	122,907	-	-	-	-	122,907	102,220
Repairs	100,000	-	-	-	-	100,000	85,123
Scholarships	-	-	-	-	210,062	210,062	199,698
Capital	7,489,118	-	-	-	-	7,489,118	5,223,403
Assigned:							
Encumbrances	798,260	-	-	-	-	798,260	840,787
Appropriated	3,900,000	-	-	-	-	3,900,000	2,500,000
Unappropriated	-	-	26,618	-	2,195,007	2,221,625	6,573,271
Unassigned	<u>1,730,649</u>	<u>-</u>	<u>-</u>	<u>(1,897,384)</u>	<u>-</u>	<u>(166,735)</u>	<u>1,680,499</u>
 TOTAL FUND BALANCES	 <u>18,576,095</u>	 <u>-</u>	 <u>49,399</u>	 <u>(1,897,384)</u>	 <u>2,405,069</u>	 <u>19,133,179</u>	 <u>21,494,503</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 23,752,327</u>	 <u>\$ 1,018,088</u>	 <u>\$ 191,832</u>	 <u>\$ 14,405,584</u>	 <u>\$ 2,405,069</u>	 <u>\$ 41,772,900</u>	 <u>\$ 29,047,416</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET WITH THE STATEMENT OF NET POSITION  
JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	<u>2025</u>	<u>2024</u>
Total Governmental Fund Balances	\$ 19,133,179	\$ 21,494,503
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at June 30, 2025 are \$66,600,692 and \$30,468,819, respectively.</p>		
	36,131,873	32,281,900
<p>Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.</p>		
Deferred Outflows of Resources	5,081,446	
Net Pension Asset (Liability)	19,360	
Deferred Inflows of Resources	<u>(2,216,022)</u>	2,884,784
		2,684,442
<p>Long-term asset and liability associated with the Total OPEB Liability are not current financial resources or obligations and are not reported in the governmental funds.</p>		
Deferred Outflows of Resources	4,770,877	
Deferred Inflows of Resources	(7,343,857)	
Total OPEB Liability	<u>(83,582,068)</u>	(86,155,048)
		(86,489,466)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Compensated Absences	(346,272)	
Unamortized Bond Premium	-	
Serial Bonds	-	
Installment Purchase	(75,483)	
Retirement Incentive	<u>(70,000)</u>	(491,755)
		(604,404)
<p>Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.</p>		
	-	-
Net Position of Governmental Activities	<u>\$ (28,496,967)</u>	<u>\$ (30,633,025)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	GENERAL	SPECIAL AID	SCHOOL LUNCH	CAPITAL PROJECTS	NON-MAJOR	TOTAL GOVERNMENTAL FUNDS	2024 TOTALS
<b>REVENUES</b>							
Real Property Taxes	\$ 19,270,472	\$ -	\$ -	\$ -	\$ -	\$ 19,270,472	\$ 18,590,970
Other Tax Items	1,178,503	-	-	-	-	1,178,503	1,556,310
Charges For Services	95,552	-	-	-	-	95,552	298,821
Use of Money and Property	499,272	-	-	-	250,312	749,584	763,086
Sale of Property and Compensation For Loss	2,354	-	-	-	-	2,354	6,450
Miscellaneous Local Sources	1,027,130	64,641	145	-	212,254	1,304,170	1,235,348
State Sources	17,716,354	604,959	229,391	-	-	18,550,704	18,162,702
Federal Sources	42,781	738,629	401,124	-	-	1,182,534	1,824,698
Sales	-	-	96,324	-	-	96,324	128,714
<b>TOTAL REVENUES</b>	<b>39,832,418</b>	<b>1,408,229</b>	<b>726,984</b>	<b>-</b>	<b>462,566</b>	<b>42,430,197</b>	<b>42,567,099</b>
<b>OTHER FINANCING SOURCES</b>							
Operating Transfers In	3,430,448	80,330	1,500	400,000	-	3,912,278	3,763,065
BANs Redeemed from Appropriations	-	-	-	1,800,000	-	1,800,000	-
Premiums on Obligations	-	-	-	-	140,740	140,740	-
Proceeds of Long-Term Debt	-	-	-	100,149	-	100,149	-
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>43,262,866</b>	<b>1,488,559</b>	<b>728,484</b>	<b>2,300,149</b>	<b>603,306</b>	<b>48,383,364</b>	<b>46,330,164</b>
<b>EXPENDITURES</b>							
General Support	4,461,037	25,348	-	-	-	4,486,385	4,529,189
Instruction	18,048,368	1,305,808	-	-	226,425	19,580,601	19,092,227
Pupil Transportation	3,174,412	115,010	-	-	-	3,289,422	2,692,204
Employee Benefits	11,169,227	28,730	81,141	-	-	11,279,098	10,827,819
Debt Service:							
Principal	1,839,693	-	-	-	-	1,839,693	3,194,532
Interest	202,186	-	-	-	51,217	253,403	91,055
Cost of Sales	-	-	681,109	-	-	681,109	628,311
Capital Outlay	-	-	-	5,422,699	-	5,422,699	655,465
<b>TOTAL EXPENDITURES</b>	<b>38,894,923</b>	<b>1,474,896</b>	<b>762,250</b>	<b>5,422,699</b>	<b>277,642</b>	<b>46,832,410</b>	<b>41,710,802</b>
<b>OTHER USES</b>							
Operating Transfers Out	481,830	13,663	-	3,416,785	-	3,912,278	3,763,065
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b>39,376,753</b>	<b>1,488,559</b>	<b>762,250</b>	<b>8,839,484</b>	<b>277,642</b>	<b>50,744,688</b>	<b>45,473,867</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,886,113</b>	<b>-</b>	<b>(33,766)</b>	<b>(6,539,335)</b>	<b>325,664</b>	<b>(2,361,324)</b>	<b>856,297</b>
<b>FUND BALANCE - Beginning of Year</b>	<b>14,689,982</b>	<b>-</b>	<b>83,165</b>	<b>4,641,951</b>	<b>2,079,405</b>	<b>21,494,503</b>	<b>20,638,206</b>
<b>FUND BALANCE - End of Year</b>	<b>\$ 18,576,095</b>	<b>\$ -</b>	<b>\$ 49,399</b>	<b>\$ (1,897,384)</b>	<b>\$ 2,405,069</b>	<b>\$ 19,133,179</b>	<b>\$ 21,494,503</b>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	<u>2025</u>	<u>2024</u>
Total Net Change in Fund Balances – Governmental Funds	\$ (2,361,324)	\$ 856,297
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation Expenses	(1,556,800)	
Capital Outlay	<u>5,410,573</u>	(681,270)
<p>Repayments of principal on long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
Serial Bonds	-	
Installment Purchase	<u>39,692</u>	3,194,531
<p>In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>		
Compensated Absences	103,106	
Retirement Incentives	<u>70,000</u>	290,763
<p>(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>		
Teachers' Retirement System	646,708	
Employees' Retirement System	<u>(446,366)</u>	(1,219,461)
<p>(Increases) decreases in total OPEB Liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.</p>		
Total OPEB Liability	334,418	(647,347)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

(Continued)

	<u>2025</u>	<u>2024</u>
In the governmental funds, the gross proceeds from the sale of assets are reported as revenues. In the statement of activities, the revenues are reduced by the net book value of the disposed asset.	(3,806)	\$ (1,200)
Bond premiums are reported in the governmental funds as revenues in the year the bonds are issued. However, on the statement of activities, the premiums are added to the outstanding bond liability and amortized over the life of the bonds.		
Amortization Expense	-	68,608
In the governmental funds, proceeds of long term debt are reported as revenues. In the statement of net position, the proceeds increase the long term liability, and no revenue is recognized in the statement of activities.		
Installment Debt	(100,149)	-
In the statement of activities, interest on debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.		
Current Year Accrued Interest	-	
Prior Year Accrued Interest	-	30,728
Change in Net Position of Governmental Activities	<u>\$ 2,136,058</u>	<u>\$ 1,891,649</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2025

	<u>CUSTODIAL FUND</u>
ASSETS	
Cash	\$ _____ -
TOTAL ASSETS	_____ -
NET POSITION	
Restricted for Individuals, Organizations or Other Governments	_____ -
TOTAL NET POSITION	\$ _____ -

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2025

	<u>CUSTODIAL FUND</u>
ADDITIONS	
Taxes Collected For Other Governments	\$ <u>1,095,105</u>
TOTAL ADDITIONS	<u>1,095,105</u>
DEDUCTIONS	
Taxes Paid To Other Governments	<u>1,095,105</u>
TOTAL DEDUCTIONS	<u>1,095,105</u>
Change in Net Position	-
NET POSITION - Beginning Of Year	<u>-</u>
NET POSITION - End Of Year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. **Financial Reporting Entity**

The Sullivan West Central School District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions which comprise School District operations, and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity includes all funds, account groups, functions and organizations over which the School District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of the financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

1. **Included in the Reporting Entity**

Based on the foregoing criteria and the significant factors presented below, the following organizations, functions or activities are included in the reporting entity:

a. **The Extraclassroom Activity Funds**

The Extraclassroom Activity Funds of the Sullivan West Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. Separate audited general purpose financial statements (cash basis) of the extraclassroom activity funds can be found within these financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Joint Venture**

The Sullivan West Central School District is one of the eight component school districts in the Sullivan County 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.

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 administrative and capital costs is determined by resident public school district's 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.

**C. Basis of Presentation**

1. District-wide statements:

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity and 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 operation 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. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column.

The District reports the following major governmental funds:

a. *General Fund*

The General Fund is the principal operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

b. *Special Revenue Fund*

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

1. Special Aid Fund – used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or local grants.
2. School Lunch Fund – used to account for transactions of the School District lunch, breakfast, and milk programs.

c. *Capital Projects Fund*

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following non-major governmental funds.

a. *Miscellaneous Special Revenue Fund*

This fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

b. *Debt Service Fund*

The Debt Service Fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Additionally, the District reports the following fund type:

a. *Fiduciary Fund*

This fund is used to account for assets held by the government in a trustee or custodial capacity.

*Custodial Fund* – used to account for fiduciary activities that are not required to be reported in a private-purpose trust fund.

D. **Basis of Accounting/Measurement Focus**

The District-wide 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 one year after the end of the fiscal year.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. **Property Taxes**

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1<sup>st</sup>, and become a lien on September 1<sup>st</sup>. Taxes are collected during the period commencing September 1<sup>st</sup> and ending November 6<sup>th</sup>.

2. Enforcement

Uncollected real property taxes are subsequently enforced by the County of Sullivan. 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<sup>st</sup>.

F. **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 following governmental fund types:

I. General Fund

- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the program level.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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. There were no supplemental appropriations authorized during the year.

2. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year. Encumbrances are reported as assigned fund balance in the General Fund.

3. Budget Basis of Accounting

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

G. Cash and Cash Equivalents

For financial statement purposes, the District considers all highly liquid investments of three months or less as cash equivalents.

H. Inventory

Inventories of food and/or supplies in the School Lunch Fund are recorded at cost or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase.

I. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**J. Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the District is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Buildings and Improvements	25-50
Furniture & Equipment	5-20
Vehicles	8

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

**K. Unearned Revenue**

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when sources are received by the School 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 School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

**L. Vested Employee Benefits**

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consistent with GASB Statement 101, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated on the pay rates in effect at year-end.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System. In addition to providing pension benefits, the District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach retirement age while working for the District.

Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the year paid. In the District-wide statements, the liability is reported at actuarially calculated amounts (See Note 10).

M. **Interfund Activity**

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities/business type 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.

N. **Equity Classifications**

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

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the District and determine which classification of net position will be charged.

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

Non-spendable – includes amounts that cannot be spent because they are either not spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$22,781.

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

Capital

Used to pay the cost of any object or purpose for which bonds may be issued. Voter authorization is required for both establishment of the reserve and payments from the reserve. This reserve is accounted for in the General Fund.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unemployment Insurance

Used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. This reserve is accounted for in the General Fund.

Tax Certiorari

This reserve is used to accumulate funds to pay judgments and claims anticipated from tax certiorari proceedings. Any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

Workers' Compensation

Used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the General Fund.

Repair

Used to pay the cost of repairs to capital improvements or equipment. The Board of Education may establish the reserve by majority vote. Voter approval is required to fund the reserve and expenditures may only be made after a public hearing. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Contribution

Used to pay contributions to the NYS Employee Retirement System and NYS Teachers Retirement System. This reserve is accounted for in the General Fund.

Scholarships

Proceeds of contributions that are restricted by the donor to the payment of scholarships. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the District’s highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Board of Education is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The District has no committed fund balances as of June 30, 2025.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance generally includes encumbrances in the General Fund and appropriated fund balance. The Board of Education is the decision making authority that can, by resolution, assign fund balance. The District reported encumbrances of \$798,260 as assigned fund balance in the General Fund as of June 30, 2025.

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

O. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. **New Accounting Standards**

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

GASB 101 – *Compensated Absences*

GASB 102 – *Certain Risk Disclosures*

Q. **Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 103 – *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.

GASB 104 – *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

R. **Deferred Outflows/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 government 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 proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience. The District reports \$5,081,446 in deferred outflows of resources related to pensions and \$4,770,877 in deferred outflows of resources related to the Total OPEB Liability as of June 30, 2025.

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 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. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension system 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. The District reports \$2,216,022 in deferred inflows of resources related to pensions and \$7,343,857 in deferred inflows of resources related to the Total OPEB Liability as of June 30, 2025.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$2,865,424 to unrestricted net position as of June 30, 2025.

The reporting of deferred outflows of resources and deferred inflows of resources related to the Total OPEB Liability resulted in a net decrease of \$2,572,980 to unrestricted net position as of June 30, 2025.

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

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

A. Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differs from net position of governmental activities reported in the Statement of Net Position. The difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL  
FUND STATEMENTS AND DISTRICT-WIDE STATEMENT (Continued)

1. Long-term revenue differences:

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

2. Capital related differences:

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

3. Long-term debt transaction differences:

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

NOTE 3 – PARTICIPATION IN BOCES

During the year ended June 30, 2025, the Sullivan West Central School District was billed \$5,230,489 for BOCES administrative and program costs. General purpose financial statements for Sullivan County are available from the BOCES administrative office at 15 Sullivan Avenue, Suite 1, Liberty, NY 12754.

The School District’s share of BOCES income amounted to \$836,656.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 4 – CASH AND INVESTMENTS

The Sullivan West Central School District investment policies are governed by State statutes. In addition the District has its own written investment policy. Sullivan West Central School District monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit.

Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for 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 New York State and states other than New York and their municipalities and school districts.

The District's aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the pledging financial  
institution, or its trust department, but not in the District's name:   \$ 36,790,209

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS

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

	BEGINNING BALANCE	<u>ADDITIONS</u>	RETIREMENTS/ <u>RECLASSIFICATIONS</u>	ENDING <u>BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 50,471	\$ -	\$ -	\$ 50,471
Construction In Progress	<u>1,850,309</u>	<u>5,322,550</u>	<u>4,701,785</u>	<u>2,471,074</u>
Total non-depreciable historical cost	<u>1,900,780</u>	<u>5,322,550</u>	<u>4,701,785</u>	<u>2,521,545</u>
Capital assets that are depreciated:				
Building and Improvements	56,139,947	4,711,341	-	60,851,288
Infrastructure	1,001,501	-	-	1,001,501
Machinery and Equipment	1,911,143	78,472	20,627	1,968,988
Vehicles	<u>257,370</u>	<u>-</u>	<u>-</u>	<u>257,370</u>
Total depreciable historical cost	<u>59,309,961</u>	<u>4,789,813</u>	<u>20,627</u>	<u>64,079,147</u>
Less accumulated depreciation:				
Building and Improvements	26,956,202	1,447,593	-	28,403,795
Infrastructure	325,488	25,038	-	350,526
Machinery and Equipment	1,567,903	56,150	16,822	1,607,231
Vehicles	<u>79,248</u>	<u>28,019</u>	<u>-</u>	<u>107,267</u>
Total Accumulated Depreciation	<u>28,928,841</u>	<u>1,556,800</u>	<u>16,822</u>	<u>30,468,819</u>
Total historical cost,	<u>\$ 32,281,900</u>	<u>\$ 8,555,563</u>	<u>\$ 4,705,590</u>	<u>\$ 36,131,873</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support		\$ 85,866		
Instruction		1,465,168		
School Lunch Program		<u>5,766</u>		
		<u>\$ 1,556,800</u>		

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2025 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund	\$ 1,129,959	\$ 1,866,261	\$ 3,430,448	\$ 481,830
Special Aid Fund	-	1,009,021	80,330	13,663
Capital Fund	1,866,261	-	400,000	3,416,785
Debt Service Fund	-	-	-	-
School Lunch Fund	<u>484</u>	<u>121,422</u>	<u>1,500</u>	<u>-</u>
Total Governmental Activities	<u>\$ 2,996,704</u>	<u>\$ 2,996,704</u>	<u>\$ 3,912,278</u>	<u>\$ 3,912,278</u>

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

The District typically transfers funds from the General Fund to the Debt Service Fund to make debt service payments and to the Special Aid Fund to cover expenses that are not reimbursed by Federal or State Grants.

The District transfers investment income earned in the Capital Projects Fund to the Debt Service Fund for the purpose of making future debt service payments.

The District typically loans resources between funds for the purpose of relieving cash flow issues.

NOTE 7 – INVENTORY

Inventory in the School Lunch Fund at June 30, 2025 consisted of the following:

Food	\$ 18,053
Supplies	<u>4,728</u>
	<u>\$ 22,781</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8 - LIABILITIES

A. **Pension Plans and Post-Employment Benefits**

1. General Information

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

2. Plan Descriptions

a. Teachers' Retirement System (TRS)

As an employer, you make contributions to the New York State Teachers' Retirement System, a cost sharing, multiple employer defined benefit pension plan administered by the New York State Teachers' Retirement Board.

The System provides benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and Social Security Law of the State of New York. The New York State TRS issued a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

b. Employees' Retirement System (ERS)

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYRSSL). The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

NOTE 8 – LIABILITIES (Continued)

3. Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and prior to January 1, 2010, with less than ten years of service, are required to contribute 3% of their salary.

Those joining the NYSERS on or after January 1, 2010 and before April 1, 2012, contribute 3% of their salary throughout their entire working career. Those joining after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, dependent upon their salary, for their entire working career.

Those joining the NYSTRS on or after January 1, 2010 and before April 1, 2012 contribute 3.5% of their salary throughout their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent on their salary, for their entire working career.

For the NYSTRS, employers are required to contribute at an actuarially determined rate, currently 10.11% of the annually covered payroll for the fiscal year ended June 30, 2025. Rates applicable to the fiscal years ended June 30, 2024 and 2023, were 9.76% and 10.29%, respectively. For the NYSERS, the NYS Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>TRS</u>
2025	\$ 482,857	\$ 1,097,464
2024	419,626	1,078,494
2023	355,293	1,128,298

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8 – LIABILITIES (Continued)

**B. Indebtedness**

1. Long-Term Debt

Long-Term Debt Interest

Interest Expense on long-term debt consisted of the following:

Interest Paid	\$ 5,014
Less: Interest Accrued in the Prior Year	-
Plus: Interest Accrued in the Current Year	<u>-</u>
 Total Expense	 <u>\$ 5,014</u>

Changes

The changes in the School District’s indebtedness during the year ended June 30, 2025 are summarized as follows:

	<u>BALANCE</u> <u>07/01/24</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/25</u>	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
Installment Purchase Debt					
– Direct Borrowing	15,026	\$ 100,149	\$ 39,692	\$ 75,483	\$ 40,722
Compensated Absences	449,378	-	103,106	346,272	-
Total OPEB Liability	84,217,048	5,693,034	6,328,014	83,582,068	3,800,000
Retirement Incentives	<u>140,000</u>	<u>60,000</u>	<u>130,000</u>	<u>70,000</u>	<u>50,000</u>
 TOTAL	 <u>\$ 84,821,452</u>	 <u>\$ 5,853,183</u>	 <u>\$ 6,600,812</u>	 <u>\$ 84,073,823</u>	 <u>\$ 3,890,722</u>

Additions and deletions to compensated absences are shown net since it is impractical to determine those amounts separately.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 8 – LIABILITIES (Continued)

The following is a statement of outstanding installment purchase debt:

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING 06/30/25</u>
Computer Network	2023	2026	5.12%	\$ 7,705
Network Printers	2024	2027	5.16%	67,778
				<u>\$ 75,483</u>

The following is a summary of maturing debt service requirements.

<u>DIRECT BORROWINGS</u>		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 40,722	\$ 3,985
2027	<u>34,761</u>	<u>1,837</u>
TOTAL	<u>\$ 75,483</u>	<u>\$ 5,822</u>

2. Short-Term Debt

Bond Anticipation Notes

Bond anticipation notes (BAN) are issued for capital purposes in anticipation of long term financing to be issued at a later date.

The District has the following short term debt outstanding as of June 30, 2025:

<u>CAPITAL PROJECTS FUND</u>	<u>INTEREST RATE</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
Capital Project - BAN	4.00%	\$ _____ -	\$ 17,700,000	\$ 1,800,000	\$ 15,900,000
		<u>\$ _____ -</u>	<u>\$ 17,700,000</u>	<u>\$ 1,800,000</u>	<u>\$ 15,900,000</u>

Short-Term Debt Interest

Interest expense on short term debt consisted of the following:

Interest Paid	\$ 248,389
Less: Interest Accrued in Prior Year	-
Plus: Interest Accrued in Current Year	<u>-</u>
Total Expense	<u>\$ 248,389</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. **Risk Financing and Related Insurance**

The Sullivan West Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties.

B. **Tax Certiorari Proceedings**

The District may be liable for refunds related to tax assessment reviews brought on by various taxpayers. Individually, these claims would not have a material impact on the financial statements. However, in the aggregate, if settled unfavorably, they may be material to the financial statements. The outcome cannot be reasonably estimated at this time. The District has funded its Tax Certiorari Reserve to be prepared in the event of unfavorable outcomes.

C. **Other Items**

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

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

The District provides post employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

**General Information about the OPEB Plan**

*Plan Description* - The healthcare plan is a defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a pay as you go funding plan. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

*Benefits Provided* – The District provides eligible actives, retirees and dependents post-employment medical and prescription drug coverage through a self-insured Alt-PPO plan as part of the plan. The benefit terms vary based on the union contract that governs the employee and years of service with the District. The District also reimburses the cost of Medicare Part B premiums to both retirees and spouses. Employees depending on the bargaining unit, are required to contribute towards their health insurance on a sliding scale from 25% if they retire at 55 years and at least 10 years with the District. The District contributes the full cost of benefits for all other retirees. Upon the death of a retiree, the surviving spouse will contribute 100% of the premium.

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

Inactive employees or beneficiaries currently receiving benefit payments	216
Active Employees	<u>186</u>
	<u><u>402</u></u>

**Total OPEB Liability**

The District’s total OPEB liability of \$83,582,068 was measured as of July 1, 2024, using an actuarial valuation as of July 1, 2024.

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Actuarial Cost Method	Entry Age Normal – Level Percent Pay
Measurement Date	July 1, 2024
Long-Term Bond Rate	3.93%
Rate of Inflation	2.60%
Salary Scale	3.50%
Initial Healthcare Cost Trend Rate	7.00%
Ultimate Healthcare Cost Trend Rate	3.94%

The discount rate was based on a 20 year Bond Buyer Weekly GO Index.

Mortality rates were based on the PUB 2010 Mortality Table for employees, sex distinct, with generational adjusted for Mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study as of July 1, 2024.

**Changes in the Total OPEB Liability**

Balance at July 1, 2024		\$ 84,217,048
Changes for the Year -		
Service Cost	2,062,978	
Interest	3,080,675	
Changes of Benefit Terms	-	
Differences between expended and actual experience	549,381	
Changes in assumptions or other inputs	(2,572,058)	
Expected Benefit Payments	<u>(3,755,956)</u>	
Net Changes		<u>(634,980)</u>
Balance at June 30, 2025		<u>\$ 83,582,068</u>

*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 (2.93%) or 1 – percentage point higher (4.93%) than the current discount rate:

	1% Decrease <u>(2.93%)</u>	Current Assumption <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
Total OPEB Liability	<u>\$ 95,288,395</u>	<u>\$ 83,582,068</u>	<u>\$ 73,981,369</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

**NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)**

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends 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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 76,101,350</u>	<u>\$ 83,582,068</u>	<u>\$ 92,803,375</u>

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$3,809,187. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 445,724	\$ 1,692,160
Changes of assumptions or other inputs	181,548	5,651,697
Employer contributions subsequent to the measurement date	<u>4,143,605</u>	<u>-</u>
Total	<u>\$ 4,770,877</u>	<u>\$ 7,343,857</u>

District contributions subsequent to the measurement date of \$4,143,605 will be recognized as a reduction in the total OPEB Liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2026	\$ (3,175,589)
2027	(2,487,617)
2028	(557,250)
2029	(381,637)
20230	(114,492)
Thereafter	<u>-</u>
TOTAL	<u>\$ (6,716,585)</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees’ Retirement System (ERS) and the New York State Teachers’ Retirement (TRS) are included in Note 8-A to the financial statements.

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

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

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2024	June 30, 2023
Net pension asset/(liability)	\$ (1,707,366)	\$ 1,726,726
District’s portion of the Plan’s total net pension asset/(liability)	0.0099580%	0.057874%

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11 PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

For the year ended June 30, 2025, the District recognized pension expense of \$378,056 for ERS and \$1,988,802 for TRS. At June 30, 2025, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 423,780	\$ 1,859,367	\$ 19,990	\$ 173,749
Changes of assumptions	71,604	1,032,932	-	1,918,540
Net difference between projected and actual earnings on pension plan investments	133,955	-	-	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	94,747	126,545	103,743	-
District's contributions subsequent to the measurement date	<u>241,052</u>	<u>1,097,464</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 965,138</u>	<u>\$ 4,116,308</u>	<u>\$ 123,733</u>	<u>\$ 2,092,289</u>

District contributions subsequent to the measurement date \$241,052 for ERS and \$1,097,464 for TRS will be recognized as a reduction of the net pension liability in the year June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2025	\$ -	\$ (851,916)
2026	307,245	2,145,930
2027	445,387	(324,740)
2028	(149,249)	(372,106)
2029	(3,030)	236,122
Thereafter	<u>-</u>	<u>93,266</u>
TOTAL	<u>\$ 600,353</u>	<u>\$ 926,556</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2025

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
 OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Actuarial Assumptions

The total pension liability as of the measurement date was measured 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 valuations used the following significant actuarial assumptions:

	<u>ERS</u>		<u>TRS</u>	
	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Prior Year</u>
Measurement date	March 31, 2025	March 31, 2024	June 30, 2024	June 30, 2023
Actuarial valuation date	April 1, 2024	April 1, 2023	June 30, 2023	June 30, 2022
Interest rate	5.9%	5.9%	6.95%	6.95%
Salary scale	4.3%	4.4%	1.95%-5.18%	1.95%-5.18%
Cost of Living Adjustments	1.5%	1.5%	1.3%	1.3%
Inflation rate	2.9%	2.9%	2.40%	2.40%

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

For ERS, the actuarial assumptions used in the April 1, 2024 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, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015-June 30, 2020.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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	<u>ERS</u> March 31, 2025	<u>TRS</u> June 30, 2024
Asset Type:		
Domestic Equity	3.54%	6.6%
International Equity	6.57	7.4
Real Estate	4.95	6.3
Opportunistic/ARS Portfolio	5.25	-
Domestic fixed income securities	-	2.6
Global Bonds	-	2.5
Global Equities	-	6.9
Private Debt	-	5.9
Private Equities	7.25	10.0
High Yield Bonds	-	4.8
Real Estate Debt	-	3.9
Cash Equivalents	0.25	0.5
Credit	5.40	-
Real Assets	5.55	-
Fixed Income	2.00	-

Discount Rate

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District’s proportionate share of the net pension asset / (liability) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>ERS</u>	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer’s proportionate share of the net pension asset (liability)	<u>\$ (4,941,332)</u>	<u>\$ (1,707,366)</u>	<u>\$ 992,998</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
<u>TRS</u>			
Employer’s proportionate share of the net pension asset (liability)	<u>\$ (7,975,848)</u>	<u>\$ 1,726,726</u>	<u>\$ 9,886,851</u>

Pension Plan Fiduciary Net Position

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

	<u>ERS (in thousands)</u>	<u>TRS</u>
Valuation date	April 1, 2024	June 30, 2023
Employers’ total pension liability	\$ 247,600,329	\$ 142,837,826,465
Plan Net Position	<u>230,454,512</u>	<u>145,821,434,780</u>
Employer’s net pension asset/(liability)	<u>\$ (17,145,727)</u>	<u>\$ 2,983,608,315</u>
Ration of plan net position to the Employer’s total pension asset/(liability)	93.08%	102.1%

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions represent the projected employer contribution for the period of April 1 through June 30, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$241,052.

For TRS, employer and employee contributions for the fiscal year ended June 30 are paid to the System in September, October, and November through a state aid intercept. Accrued retirement contributions as of June 30<sup>th</sup>, represent employee and employer contributions for the fiscal year ended June 30 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$1,264,671.

NOTE 12 – EVENTS OCCURRING AFTER REPORTING DATE

The District has evaluated events and transactions that occurred between June 30, 2025 and October 3, 2025, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 14 – TAX ABATEMENTS

The District is subject to a tax abatement agreement entered into by the Sullivan County Industrial Development Agency and the Delaware County Industrial Development Agency pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York. For the year ended June 30, 2025, the District received \$51,510 in tax abatement payments, which resulted in abated property taxes totaling \$93,147.

NOTE 15 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Deficit Fund Balance

The Capital Projects Fund had a deficit unassigned fund balance of \$1,897,384 at June 30, 2025. The deficit was caused partially by the accounting treatment of bond anticipation notes and will be eliminated when permanent financing is put in place.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES, OTHER USES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2025  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2024)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2024 <u>ACTUALS</u>
REVENUES					
Local Sources:					
Real Property Taxes	\$ 19,229,796	\$ 19,229,796	\$ 19,270,472	\$ 40,676	\$ 18,590,970
Other Tax Items	1,322,397	1,322,397	1,178,503	(143,894)	1,556,310
Charges For Services	28,000	28,000	95,552	67,552	298,821
Use of Money and Property	155,000	155,000	499,272	344,272	600,081
Sale of Property and Compensation For Loss	-	-	2,354	2,354	6,450
Miscellaneous Local Sources	280,000	280,000	1,027,130	747,130	1,002,854
State Sources:					
Basic Formula	16,180,875	16,180,875	15,390,175	(790,700)	15,181,262
Lottery Aid	924,635	924,635	1,328,308	403,673	1,407,845
BOCES	952,000	952,000	836,656	(115,344)	878,683
Other	91,322	91,322	161,215	69,893	162,093
Federal Sources	<u>42,000</u>	<u>42,000</u>	<u>42,781</u>	<u>781</u>	<u>30,148</u>
<b>TOTAL REVENUES</b>	<b>39,206,025</b>	<b>39,206,025</b>	<b>39,832,418</b>	<b>626,393</b>	<b>39,715,517</b>
OTHER FINANCING SOURCES					
Operating Transfers In	<u>300,000</u>	<u>300,000</u>	<u>3,430,448</u>	<u>3,130,448</u>	<u>943</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b><u>39,506,025</u></b>	<b><u>39,506,025</u></b>	<b><u>43,262,866</u></b>	<b><u>\$ 3,756,841</u></b>	<b><u>39,716,460</u></b>
FUND BALANCE					
Appropriated Fund Balance	2,500,000	2,500,000			
Appropriated Reserves	-	-			
Prior Year Encumbrances	<u>-</u>	<u>840,787</u>			
<b>TOTAL FUND BALANCE</b>	<b><u>2,500,000</u></b>	<b><u>3,340,787</u></b>			
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE</b>	<b><u>\$ 42,006,025</u></b>	<b><u>\$ 42,846,812</u></b>			

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES, OTHER USES AND CHANGES IN FUND BALANCE - BUDGET TO  
ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2025  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2024)

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2024 <u>ACTUALS</u>
<b>EXPENDITURES</b>						
General Support:						
Board of Education	\$ 143,024	\$ 123,551	\$ 57,179	\$ 1,762	\$ 64,610	\$ 100,493
Central Administration	263,010	335,010	317,178	1,562	16,270	264,114
Finance	844,486	846,813	537,125	26,361	283,327	812,655
Staff	173,750	173,750	132,158	6	41,586	135,406
Central Services	3,130,997	3,218,746	2,560,508	176,759	481,479	2,400,773
Special Items	796,500	878,500	856,889	-	21,611	763,621
Instructional:						
Instruction, Administration and Improvement	1,236,800	1,054,328	906,984	23,123	124,221	956,563
Teaching:						
Regular School	8,862,755	8,841,144	8,516,887	16,852	307,405	8,190,914
Programs For Children With Handicapped Conditions	4,864,106	4,951,977	4,393,143	9,834	549,000	4,023,714
Programs for English Language Learners	102,418	102,418	101,280	-	1,138	96,010
Occupational Education	917,792	874,992	874,665	-	327	870,320
Special Schools	41,350	45,450	36,110	-	9,340	31,369
Instructional Media	1,274,074	1,866,323	1,485,213	245,918	135,192	1,302,499
Pupil Services	1,788,243	1,918,608	1,734,086	5,934	178,588	1,772,635
Pupil Transportation	4,574,011	3,578,428	3,174,412	67,000	337,016	2,611,440
Community Services	3,400	3,400	-	-	3,400	-
Employee Benefits	12,507,941	11,506,974	11,169,227	223,149	114,598	10,635,298
Debt Service:						
Principal	24,532	1,839,693	1,839,693	-	-	24,532
Interest	1,336	204,207	202,186	-	2,021	1,336
<b>TOTAL EXPENDITURES</b>	<b>41,550,525</b>	<b>42,364,312</b>	<b>38,894,923</b>	<b>798,260</b>	<b>2,671,129</b>	<b>34,993,692</b>
<b>OTHER USES</b>						
Operating Transfers Out	455,500	482,500	481,830	-	670	3,762,122
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<b><u>\$ 42,006,025</u></b>	<b><u>\$ 42,846,812</u></b>	<b><u>\$ 39,376,753</u></b>	<b><u>\$ 798,260</u></b>	<b><u>\$ 2,671,799</u></b>	<b><u>\$ 38,755,814</u></b>
<b>NET CHANGE IN FUND BALANCE</b>			<b>3,886,113</b>			<b>960,646</b>
<b>FUND BALANCE - Beginning of Year</b>			<b><u>14,689,982</u></b>			<b><u>13,729,336</u></b>
<b>FUND BALANCE - End of Year</b>			<b><u>\$ 18,576,095</u></b>			<b><u>\$ 14,689,982</u></b>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
YEAR ENDED JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 2,062,978	\$ 2,197,143	\$ 3,042,709	\$ 3,115,565	\$ 2,150,651	\$ 2,157,863	\$ 2,472,225	\$ 3,225,888
Interest	3,080,675	2,984,731	2,054,810	2,045,064	2,772,103	2,937,774	3,184,786	2,769,682
Changes of Benefit Terms	-	-	-	-	-	486,608	(5,649,464)	-
Differences Between Expected and Actual Experience	549,381	-	(4,713,877)	-	(5,122,550)	-	(8,140,867)	-
Changes of Assumptions	(2,572,058)	(1,208,625)	(8,002,838)	979,568	14,959,628	(33,886)	(1,987,889)	(11,946,340)
Benefit Payments	<u>(3,755,956)</u>	<u>(3,749,959)</u>	<u>(2,733,004)</u>	<u>(2,437,027)</u>	<u>(2,344,643)</u>	<u>(2,154,757)</u>	<u>(2,083,697)</u>	<u>(1,938,475)</u>
Net Change in Total OPEB Liability	(634,980)	226,290	(10,352,200)	3,703,170	12,415,189	3,393,602	(12,204,906)	(7,889,245)
Beginning Total OPEB Liability	<u>84,217,048</u>	<u>83,990,758</u>	<u>94,342,958</u>	<u>90,639,788</u>	<u>78,224,599</u>	<u>74,830,997</u>	<u>87,035,903</u>	<u>94,925,148</u>
Ending Total OPEB Liability	<u>\$ 83,582,068</u>	<u>\$ 84,217,048</u>	<u>\$ 83,990,758</u>	<u>\$ 94,342,958</u>	<u>\$ 90,639,788</u>	<u>\$ 78,224,599</u>	<u>\$ 74,830,997</u>	<u>\$ 87,035,903</u>
Covered Employee Payroll	<u>\$ 13,314,812</u>	<u>\$ 15,527,614</u>	<u>\$ 14,189,095</u>	<u>\$ 13,374,694</u>	<u>\$ 13,588,405</u>	<u>\$ 12,872,417</u>	<u>\$ 12,665,186</u>	<u>\$ 13,890,571</u>
Total OPEB Liability as a Percentage of covered Payroll	628%	542%	592%	705%	667%	608%	591%	627%

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.**

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The change in the discount rate is as follows:

June 30, 2024 Measurement Date:	3.93%
June 30, 2023 Measurement Date:	3.65%

Trust Assets

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY  
 YEAR ENDED JUNE 30, 2025

<u>TRS System</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
The District's proportion of the net pension asset (liability)	0.057874%	0.059369%	0.060062%	0.060608%	0.141270%	0.061924%	0.062375%	0.064280%	0.064531%	0.064378%
The District's proportionate share of the net pension asset (liability)	\$ 1,726,726	(678,939)	\$ (1,152,532)	\$ 10,502,744	\$ (3,903,682)	\$ 1,608,791	\$ 1,127,897	\$ 448,594	\$ (691,149)	\$ 6,686,744
The District's covered employee payroll	11,050,147	10,964,995	10,640,215	10,253,929	10,326,410	10,326,410	10,160,123	10,186,301	9,957,708	9,670,378
The District's proportionate share of the net pension asset (liability) as a percentage of covered employee payroll	15.62%	6.19%	10.83%	1.02%	37.80%	15.58%	11.10%	4.40%	6.94%	69.15%
Plan Fiduciary net position as a percentage of the total pension liability	102.1%	99.20%	98.60%	113.20%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%
 <u>ERS System</u>	 <u>2025</u>	 <u>2024</u>	 <u>2023</u>	 <u>2022</u>	 <u>2021</u>	 <u>2020</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>
The District's proportion of the net pension liability	0.0099580%	0.0107775%	0.0097817%	0.0087282%	0.0088457%	0.0097994%	0.0090414%	0.0090650%	0.0092540%	0.0086404%
The District's proportionate share of the net pension asset (liability)	\$ (1,707,366)	(1,586,891)	\$ (2,097,596)	\$ 713,492	\$ (8,808)	\$ (2,594,928)	\$ (640,614)	\$ (292,568)	\$ (869,531)	\$ (1,386,801)
The District's covered employee payroll	3,394,294	3,197,974	3,044,140	2,788,385	2,972,895	2,965,910	2,861,850	2,730,135	2,589,429	2,331,961
The District's proportionate share of the net pension liability as a percentage of covered employee payroll	50.30%	49.62%	68.91%	25.59%	0.29%	87.49%	22.38%	10.72%	33.58%	59.47%
Plan Fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS  
 YEAR ENDED JUNE 30, 2025

<u>TRS System</u>										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,097,464	\$ 1,078,494	\$ 1,128,298	\$ 1,042,741	\$ 977,199	\$ 914,920	\$ 1,097,697	\$ 995,692	\$ 1,193,834	\$ 1,320,392
Contribution in relation to the contractually required contribution	<u>1,097,464</u>	<u>1,078,494</u>	<u>1,128,298</u>	<u>1,042,741</u>	<u>977,199</u>	<u>914,920</u>	<u>1,097,697</u>	<u>995,692</u>	<u>1,193,834</u>	<u>1,320,392</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%
<u>ERS System</u>										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 482,857	\$ 419,626	\$ 355,293	\$ 435,058	\$ 407,932	\$ 411,027	\$ 428,452	\$ 432,842	\$ 418,301	\$ 448,339
Contribution in relation to the contractually required contribution	<u>482,857</u>	<u>419,626</u>	<u>355,293</u>	<u>435,058</u>	<u>407,932</u>	<u>411,027</u>	<u>428,452</u>	<u>432,842</u>	<u>418,301</u>	<u>448,339</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	14.23%	13.12%	11.67%	15.60%	13.72%	13.86%	14.97%	15.89%	16.15%	19.23%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2025

	<u>DEBT SERVICE</u>	<u>MISCELLANEOUS SPECIAL REVENUE FUND</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>			
Cash	\$ 2,074,761	\$ 120,246	\$ 2,195,007
Cash - Restricted	<u>-</u>	<u>210,062</u>	<u>210,062</u>
		.	
<b>TOTAL ASSETS</b>	<u>\$ 2,074,761</u>	<u>\$ 330,308</u>	<u>\$ 2,405,069</u>
<b>FUND BALANCES</b>			
Restricted:			
Scholarships	\$ -	\$ 210,062	\$ 210,062
Assigned:			
Unappropriated	<u>2,074,761</u>	<u>120,246</u>	<u>2,195,007</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 2,074,761</u>	<u>\$ 330,308</u>	<u>\$ 2,405,069</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2025

	DEBT <u>SERVICE</u>	MISCELLANEOUS SPECIAL REVENUE <u>FUND</u>	TOTAL NON-MAJOR GOVERNMENTAL <u>FUNDS</u>
REVENUES			
Use of Money and Property	\$ 242,314	\$ 7,998	\$ 250,312
Miscellaneous Local Sources	<u>-</u>	<u>212,254</u>	<u>212,254</u>
TOTAL REVENUES	242,314	220,252	462,566
OTHER FINANCING SOURCES			
Premium On Obligations	<u>140,740</u>	<u>-</u>	<u>140,740</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>383,054</u>	<u>220,252</u>	<u>603,306</u>
EXPENDITURES			
Instruction	-	226,425	226,425
Debt Service:			
Principal	-	-	-
Interest	<u>51,217</u>	<u>-</u>	<u>51,217</u>
TOTAL EXPENDITURES	<u>51,217</u>	<u>226,425</u>	<u>277,642</u>
NET CHANGE IN FUND BALANCE	331,837	(6,173)	325,664
FUND BALANCE - Beginning of Year	<u>1,742,924</u>	<u>336,481</u>	<u>2,079,405</u>
FUND BALANCE - End of Year	<u>\$ 2,074,761</u>	<u>\$ 330,308</u>	<u>\$ 2,405,069</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
GENERAL FUND  
YEAR ENDED JUNE 30, 2025

ADOPTED BUDGET	\$ 42,006,025
ADDITIONS:	
Encumbrances From Prior Year	<u>840,787</u>
FINAL BUDGET	<u>\$ 42,846,812</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REAL PROPERTY TAX LIMIT  
YEAR ENDED JUNE 30, 2025

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

Subsequent Year Voter Approved Expenditure Budget		<u>\$ 43,266,206</u>
Maximum allowed (4% of Budget)		<u>\$ 1,730,648</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	4,698,260	
Unassigned Fund Balance	<u>1,730,648</u>	
Total Unrestricted Fund Balance		<u>6,428,908</u>
Less:		
Appropriated Fund Balance	3,900,000	
Encumbrances included in Assigned Fund Balance	<u>798,260</u>	
Total Adjustments		<u>4,698,260</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		<u>\$ 1,730,648</u>
Actual Percentage		4.00%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
SCHEDULE OF PROJECT EXPENDITURES  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2025

PROJECT TITLE	<u>I EXPENDITURES I</u>						<u>I METHODS OF FINANCING I</u>				FUND BALANCE JUNE 30, 2025
	ORIGINAL APPROPRIATIONS	REVISED APPROPRIATIONS	PRIOR YEARS	CURRENT YEARS	TOTAL	UNEXPENDED BALANCE	DEBT PROCEEDS	LOCAL SOURCES	STATE SOURCES	TOTAL	
High School Drainage	\$ 450,000	\$ 1,317,357	\$ 1,175,771	\$ -	\$ 1,175,771	\$ 141,586	\$ -	\$ 1,175,771	\$ -	\$ 1,175,771	\$ -
Elementary School Roof	1,600,000	2,100,000	2,065,927	-	2,065,927	34,073	-	2,065,927	-	2,065,927	-
Storage Buildings	675,000	675,000	727,693	-	727,693	(52,693)	-	727,693	-	727,693	-
Capital Project	2,698,000	2,698,000	2,418,083	-	2,418,083	279,917	-	2,418,083	-	2,418,083	-
Local Projects	950,000	3,386,158	2,200,554	-	2,200,554	1,185,604	-	2,075,554	125,000	2,200,554	-
Smart Schools Bond Act	425,059	582,674	582,674	-	582,674	-	-	-	583,270	583,270	596
New Roof & Temperature Control	3,799,300	4,174,130	2,785,236	-	2,785,236	1,388,894	-	4,174,130	-	4,174,130	1,388,894
HS & ES Upgrades	25,855,000	25,855,000	1,614,324	5,322,550	6,936,874	18,918,126	-	3,650,000	-	3,650,000	(3,286,874)
Computer Equipment	100,149	100,149	-	<u>100,149</u>	100,149	-	100,149	-	-	100,149	-
				<u>\$5,422,699</u>							<u>\$(1,897,384)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NET INVESTMENT IN CAPITAL ASSETS  
JUNE 30, 2025

Capital Assets, Net	\$ 36,131,873
Less:	
Installment Purchase Debt	(75,483)
BANs payable	(15,900,000)
	<u>10,577,450</u>
Net Investment In Capital Assets	<u>\$ 30,733,840</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

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

To the Board of Education of the  
Sullivan West Central School District  
Jeffersonville, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan West School District, New York as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Sullivan West School District, New York's basic financial statements and have issued our report thereon dated October 3, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sullivan West School District, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sullivan West School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sullivan West School District, New York'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sullivan West School District, New York'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Cooper Arias, LLP*

Mongaup Valley, New York

October 3, 2025

## INDEPENDENT AUDITORS' REPORT

To The President and Board Members of  
The Board of Education  
Sullivan West Central School District  
Jeffersonville, New York

### **Opinion**

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis, of the Extraclassroom Activity Funds of the Sullivan West Central School District as of June 30, 2025, and the related statements of cash receipts, disbursements and changes in fund balance – cash basis for the year then ended, and the related notes to the financial statements, which collectively comprise the financial statements of the Extraclassroom Activity Funds of the Sullivan West Central School District as listed in the table of contents.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position – cash basis, of the Extraclassroom Activity Funds of the Sullivan West Central School District as of June 30, 2025, and the changes in financial position – cash basis, for the year then ended in accordance with the basis of accounting described in Note 2.

### **Basis for Opinion**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are 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 that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2; 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Extraclassroom Activity Funds of the Sullivan West 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.

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.

This report is intended solely for the information and use of the school board governing body and management of the Extraclassroom Activity Funds of Sullivan West Central School District, and for filing with the various offices and agencies of the State of New York. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Cooper Arias, LLP*

Mongaup Valley, New York  
October 3, 2025

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE-CASH BASIS  
JUNE 30, 2025

ASSETS	
Cash	<u>\$ 120,246</u>
TOTAL ASSETS	<u>\$ 120,246</u>
FUND BALANCE	<u>\$ 120,246</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE- CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2025

<u>ACTIVITY</u>	<u>CASH &amp; FUND BALANCE</u>			<u>CASH &amp; FUND BALANCE</u>	
	<u>6/30/24</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>6/30/25</u>	
High School Campus:					
Class of 2024	\$ 10,573	\$ -	\$ 10,573	\$ -	
Class of 2025	10,368	51,309	61,677	-	
Class of 2026	20,118	17,262	9,647	27,733	
Class of 2027	3,161	14,530	7,796	9,895	
Class of 2028	-	4,016	1,694	2,322	
Class of 2029	745	571		1,316	
Class of 2030	23,414	3,169	23,363	3,220	
Class of 2031	-	32,824	31,150	1,674	
Student Council	8,105	2,439	3,095	7,449	
Agriculture Club	4,480	21,836	22,595	3,721	
Band - HS	4,336	10,070	9,182	5,224	
Band - Jr. High	5	-	-	5	
Chorus	4,007	4,263	5,709	2,561	
Drama Club	2,683	-	-	2,683	
Elementary Video Club	-	50	-	50	
French Club	2,822	3,063	2,812	3,073	
Musical Production Club	21,732	10,518	8,128	24,122	
National Honor Society	1,863	4,204	2,418	3,649	
Students Against Drunk Driving	911	-	-	911	
Sales Tax Account	108	3,368	3,309	167	
Spanish Club	4,309	1	491	3,819	
School Store	2,047	7,394	6,533	2,908	
Video Tech Club	122	-	-	122	
Yearbook Club	6,658	4,427	2,294	8,791	
Jeffersonville Campus:					
Memory Books	<u>4,216</u>	<u>3,566</u>	<u>2,951</u>	<u>4,831</u>	
<b>TOTALS</b>	<u>\$ 136,783</u>	<u>\$ 198,880</u>	<u>\$ 215,417</u>	<u>\$ 120,246</u>	

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025

NOTE 1 - DESCRIPTION OF OPERATIONS

Student activity funds are defined by the New York State Education Department as “funds raised other than by taxation, or through charges of a Board of Education, for, by or in the name of a school, student body or any subdivision thereof.”

Activity funds are raised and expended by student bodies to promote the general welfare, education, and morale of all pupils, and to finance the normal, legitimate extracurricular activities of the student body organization.

The Superintendent of the District has responsibility and authority to implement all policies and rules pertaining to the supervision and administration of school activity funds in accordance with established policies and rules of the District’s Board of Education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The books and records of the Extraclassroom Activity Funds of Sullivan West School District are maintained on the cash basis of accounting. Consequently, receipts and related assets are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred.

Interest Income

Interest income earned on the bank account during the year has been credited the individual clubs.

Bank Charges

All bank service charges have been charged to the respective activity fund.

Inactive Accounts

Account balances of inactive clubs have been transferred to the Student Council Fund.