

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK

*Basic Financial Statements, Required Supplementary
Information, and Supplementary Information for the Year
Ended June 30, 2025 and Independent Auditors' Reports*

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK

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INDEPENDENT AUDITORS' REPORT

The Board of Education
West Seneca Central School District, New York:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Drescher & Malecki LLP

October 9, 2025

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Management's Discussion and Analysis
Year Ended June 30, 2025

As management of the West Seneca Central School District, New York (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of liabilities at June 30, 2025 by \$114,335,974 (*net position*). This consists of \$80,634,646 net investment in capital assets, \$23,311,771 restricted for specific purposes and unrestricted net position of \$10,389,557.
- The District's net position increased by \$10,999,275 during the year ended June 30, 2025.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$25,491,778, a decrease of \$9,151,640 in comparison with prior year's fund balance of \$34,643,418.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$6,499,819, or approximately 4.1 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the District's discretion and constitutes approximately 18.3 percent of the General Fund's total fund balance of \$35,514,774 at June 30, 2025.
- The District's long-term bonded indebtedness decreased by \$5,015,000 as a result of scheduled principal payments made during the year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in additions to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general support, instruction, pupil transportation, school food service operations, student activities, and interest and other fiscal charges. The District does not engage in any business-type activities.

The government-wide financial statements can be found on pages 12-13 of this report.

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

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

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

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Student Activities Fund, and Capital Projects Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-41 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's net pension liabilities/(assets) and the District's budgetary comparison for the General Fund. Required Supplementary Information and a related note to the required supplementary information can be found pages 42-48 of this report.

Other supplementary information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 49-51.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$114,335,974 at June 30, 2025, as compared to \$103,336,699 at the close of the fiscal year ended June 30, 2024.

Table 1, shown below, presents a condensed statement of net position compared to the prior year.

Table 1—Condensed Statements of Net Position

	June 30,	
	2025	2024
Current assets	\$ 65,834,651	\$ 58,071,410
Noncurrent assets	165,716,056	144,805,056
Total assets	231,550,707	202,876,466
Deferred outflows of resources	27,322,007	32,249,536
Current liabilities	40,454,063	23,528,636
Noncurrent liabilities	92,218,224	101,515,694
Total liabilities	132,672,287	125,044,330
Deferred inflows of resources	11,864,453	6,744,973
Net investment in capital assets	80,634,646	72,230,773
Restricted	23,311,771	22,934,632
Unrestricted	10,389,557	8,171,294
Total net position	\$ 114,335,974	\$ 103,336,699

The largest portion of the District's net position, \$80,634,646, reflects its investment in capital assets (e.g. land, buildings, improvements and equipment), and right-to-use assets, net of accumulated depreciation /amortization and less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide a variety of services to students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$23,311,771, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position, totaling \$10,389,557, represents resources that may be used to meet the District's ongoing operations.

Table 2, as presented below, shows the changes in net position for the years ended June 30, 2025 and June 30, 2024.

Table 2—Condensed Statements of Changes in Net Position

	Year Ended June 30,	
	2025	2024
Program revenues:		
Charges for services	\$ 1,736,348	\$ 1,833,719
Operating grants and contributions	12,992,599	16,996,724
Capital grants and contributions	3,587,489	-
General revenues	<u>153,452,016</u>	<u>147,952,405</u>
Total revenues	<u>171,768,452</u>	<u>166,782,848</u>
Program expenses	<u>160,769,177</u>	<u>161,908,843</u>
Change in net position	10,999,275	4,874,005
Net position—beginning	<u>103,336,699</u>	<u>98,462,694</u>
Net position—ending	<u>\$ 114,335,974</u>	<u>\$ 103,336,699</u>

Overall revenues increased 3.0 percent from the prior year, due primarily to increases in capital grants and contributions and unrestricted state aid. Total expenses decreased by 0.7 percent from the year ended June 30, 2024, as a result of decreases in instruction costs.

A summary of sources of revenues for the years ended June 30, 2025 and June 30, 2024 is presented below in Table 3:

Table 3—Summary of Sources of Revenues

	Year Ended June 30,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
Charges for services	\$ 1,736,348	\$ 1,833,719	\$ (97,371)	(5.3)
Operating grants and contributions	12,992,599	16,996,724	(4,004,125)	(23.6)
Capital grants and contributions	3,587,489	-	3,587,489	100.0
Real property taxes and other tax items	70,242,859	68,961,863	1,280,996	1.9
Non-property tax items	10,199,056	9,660,948	538,108	5.6
Use of money and property	2,194,463	2,408,045	(213,582)	(8.9)
Sale of property and compensation for loss	195,894	235,794	(39,900)	(16.9)
Miscellaneous	2,302,507	1,479,068	823,439	55.7
State sources—unrestricted	<u>68,317,237</u>	<u>65,206,687</u>	<u>3,110,550</u>	4.8
Total revenues	<u>\$ 171,768,452</u>	<u>\$ 166,782,848</u>	<u>\$ 4,985,604</u>	3.0

The most significant sources of revenue for the year ended June 30, 2025 were real property taxes and other tax items of \$70,242,859, or 40.9 percent of total revenues, and unrestricted state sources of \$68,317,237, or 39.8 percent of total revenues. Similarly, for the year ended June 30, 2024, the largest sources of revenue were real property taxes and other tax items of \$68,961,863, or 41.4 percent of total revenues, and unrestricted state sources of \$65,206,687, or 39.1 percent of total revenues.

A summary of program expenses for the years ended June 30, 2025 and June 30, 2024 is presented below in Table 4:

Table 4—Summary of Program Expenses:

	Year Ended June 30,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
General support	\$ 18,807,242	\$ 18,543,373	\$ 263,869	1.4
Instruction	124,771,772	127,337,184	(2,565,412)	(2.0)
Pupil transportation	11,120,690	10,683,229	437,461	4.1
School food service	3,623,481	3,297,962	325,519	9.9
Student activities	178,955	158,739	20,216	12.7
Interest and other fiscal charges	2,267,037	1,888,356	378,681	20.1
Total program expenses	<u>\$ 160,769,177</u>	<u>\$ 161,908,843</u>	<u>\$ (1,139,666)</u>	(0.7)

The most significant expense items for the year ended June 30, 2025 were instruction of \$124,771,772, or 77.6 percent of total expenses, general support of \$18,807,242, or 11.7 percent of total expenses, and pupil transportation of \$11,120,690, or 6.9 percent of total expenses. Similarly, for the year ended June 30, 2024, the most significant expense items were instruction of \$127,377,184, or 78.7 percent of total expenses, general support of \$18,543,373, or 11.5 percent of total expenses, and pupil transportation of \$10,683,229, or 6.6 percent of total expenses.

Financial Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The focus of the District’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of Education.

At June 30, 2025, the District’s governmental funds reported combined ending fund balances of \$25,491,778, an decrease of \$9,151,640 from the prior year. Excluding the effects of a \$13,343,882 deficit in the Capital Projects Fund, approximately 16.7 percent, \$6,499,819 constitutes *unassigned fund balance*, which is available for spending at the District’s discretion. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is: (1) not in spendable form, \$551,723, (2) restricted for particular purposes, \$23,311,771, or (3) assigned for particular purposes, \$8,472,347.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,499,819, while the total fund balance decreased to \$35,514,774. As a measure of the General Fund’s liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures and transfers out. Unassigned fund balance represents approximately 4.1 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 22.5 percent of that same amount.

The total fund balance of the District's General Fund decreased by \$82,910 during the current fiscal year. During the annual budget process, the District anticipated utilizing \$6,720,069 of fund balance (this included funds appropriated from fund balance of \$6,389,121 and the re-appropriation of prior year's encumbrances of \$330,948). As a result of receiving more interest earnings, state aid and sales tax than anticipated and spending less than anticipated in employee salaries, the District's fund balance ended \$6,637,159 higher than anticipated.

The Special Aid Fund maintains funds that are received by the State and Federal governments. Total revenues amounted to \$6,290,901 and were comprised of State, Federal and local sources. Expenditures totaled \$6,829,172 and were primarily used for the instruction and transportation of students. The difference between revenues and expenditures was subsidized by a transfer from the General Fund.

The School Lunch Fund fund balance increased \$440,950, which resulted in a fund balance of \$2,593,450 at June 30, 2025. Nonspendable fund balance of \$76,272 is reported to reflect the amounts of inventory not in spendable form, and the remaining \$2,517,178 is reported as fund balance assigned for specific school lunch use.

The Special Purpose Fund is used to account for miscellaneous donations that the District has administrative involvement with. The Special Purpose Fund total fund balance is \$621,579 as of June 30, 2025, which is all classified as restricted.

The Student Activities Fund is used to account for extraclassroom transactions, which represents funds of the students of the District. The Student Activities Fund total fund balance is \$105,857 as of June 30, 2025, all of which is classified as restricted.

Due to expansive capital outlay, supported primarily by short-term debt, the Capital Projects Fund reported a fund balance deficit of \$13,343,882 at June 30, 2025 as compared to a fund balance deficit of \$3,799,506 at the close of the prior year. The change in fund balance from the prior year was primarily due to the increased use of short-term financing to fund capital projects. The remaining deficit is anticipated to be remedied with the conversion of the outstanding short-term debt to long term debt.

General Fund Budgetary Highlights

The District's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the District has appropriately assigned an equal amount of fund balance at year-end for this purpose. A summary of revisions from adopted budget to final budget is presented in Table 5 below:

Table 5—General Fund Budget

Adopted budget, 2024-2025	\$ 156,020,575
Add: Prior year's encumbrances	<u>330,948</u>
Original budget, 2024-2025	156,351,523
Budget revisions	<u>1,675,882</u>
Final budget, 2024-2025	<u>\$ 158,027,405</u>

More detailed information about the District's General Fund budget is presented in the Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget (Non-GAAP Basis) and Actual—General Fund within the Required Supplementary Information section of this report.

Capital Assets and Debt Administration

Capital assets—The District's investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$156,647,027 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, equipment, and right-to-use lease assets. All depreciable/amortizable capital assets were depreciated from acquisition date to the end of the current year as outlined in the District's capital asset policy.

Capital and right-to-use assets, net of depreciation/amortization for the governmental activities at June 30, 2025 and June 30, 2024 are presented below in Table 6:

Table 6—Summary of Capital Assets (Net of Accumulated Depreciation/Amortization)

	June 30,	
	2025	2024
Land	\$ 372,855	\$ 372,855
Construction in progress	10,185,654	10,346,693
Land improvements	9,889	84,002
Buildings and building improvements	133,906,986	121,629,736
Equipment	9,895,252	9,793,711
Right-to-use lease equipment	2,276,391	2,578,059
Total	<u>\$ 156,647,027</u>	<u>\$ 144,805,056</u>

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term liabilities—At June 30, 2025, the District had serial bonds outstanding of \$52,705,000, as compared to \$57,720,000 in the prior year. During the year ended June 30, 2025, the District made scheduled principal payments of \$5,015,000.

A summary of the District's long-term liabilities at June 30, 2025 and June 30, 2024 is presented in Table 7 on the following page.

Table 7—Summary of Long-Term Liabilities

	June 30,	
	2025	2024
Serial bonds	\$ 52,705,000	\$ 57,720,000
Premium on serial bonds	4,476,042	4,977,036
Bonds payable, net	57,181,042	62,697,036
Lease liability	2,179,220	2,439,987
Energy performance contract	3,308,237	3,637,754
Compensated absences	17,580,104	17,641,274
Workers' compensation	2,489,186	2,938,480
Net pension liability	9,480,435	12,161,163
Total	<u>\$ 92,218,224</u>	<u>\$ 101,515,694</u>

Additional information on the District's long-term liabilities can be found in Note 10 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region at June 30, 2025 was 3.4 percent. This compares to New York State's unemployment rate of 3.8 percent. These factors, as well as others, are considered in preparing the District's budget.

The 2025-2026 adopted budget appropriations total \$162,495,482 is an approximate increase of 4.2 percent as compared to \$156,020,575 in 2024-2025. The District's total budgeted tax levy in 2025-2026 is \$71,889,614 which is an approximate increase of 2.7 percent as compared to \$69,966,619 levied during the 2024-2025 year.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dr. Lisa Krueger, Superintendent of Schools or William J. Thiel, Business Official, (716-677-3100) West Seneca Central School District, 900 Mill Road, West Seneca, New York 14224.

BASIC FINANCIAL STATEMENTS

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WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Net Position
June 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,039,907
Restricted cash and cash equivalents	38,238,452
Receivables	223,424
Intergovernmental receivables	18,781,145
Prepaid items	475,451
Inventories	76,272
Noncurrent net pension asset	9,069,029
Capital assets not being depreciated/amortized	10,558,509
Capital assets, net of accumulated depreciation/amortization	146,088,518
Total assets	<u>231,550,707</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	<u>27,322,007</u>
Total deferred outflows of resources	<u>27,322,007</u>
LIABILITIES	
Accounts payable	2,176,830
Accrued liabilities	3,413,844
Intergovernmental payables	296,694
Due to retirement systems	7,070,952
Unearned revenues	265,743
Bond anticipation notes payable	27,230,000
Noncurrent liabilities:	
Due within one year	8,557,385
Due within more than one year	83,660,839
Total liabilities	<u>132,672,287</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	<u>11,864,453</u>
Total deferred inflows of resources	<u>11,864,453</u>
NET POSITION	
Net investment in capital assets	80,634,646
Restricted for:	
Tax certiorari	503,036
Unemployment insurance	372,856
Retirement contribution	6,694,038
Debt service	2,625
Workers' compensation	4,889,826
Employee benefits	3,201,826
Capital projects	6,920,128
Special purpose	621,579
Student activities	105,857
Unrestricted	<u>10,389,557</u>
Total net position	<u>\$ 114,335,974</u>

The notes to the financial statements are an integral part of this statement.

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Governmental activities:					
General support	\$ 18,807,242	\$ -	\$ 280,026	\$ -	\$ (18,527,216)
Instruction	124,771,772	1,267,203	9,121,395	3,587,489	(110,795,685)
Pupil transportation	11,120,690	-	-	-	(11,120,690)
School food service	3,623,481	297,892	3,591,178	-	265,589
Student activities	178,955	171,253	-	-	(7,702)
Interest and other fiscal charges	2,267,037	-	-	-	(2,267,037)
Total primary government	<u>\$ 160,769,177</u>	<u>\$ 1,736,348</u>	<u>\$ 12,992,599</u>	<u>\$ 3,587,489</u>	<u>(142,452,741)</u>
General revenues:					
Real property taxes and items					70,242,859
Non-property tax items					10,199,056
Use of money and property					2,194,463
Sale of property and compensation for loss					195,894
Miscellaneous					2,302,507
State sources—unrestricted					68,317,237
Total general revenues					<u>153,452,016</u>
Change in net position					10,999,275
Net position—beginning					<u>103,336,699</u>
Net position—ending					<u>\$ 114,335,974</u>

The notes to the financial statements are an integral part of this statement.

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Balance Sheet—Governmental Funds
June 30, 2025

	Special Revenue					Capital Projects	Total Governmental Funds
	General	Special Aid	School Lunch	Special Purpose	Student Activities		
ASSETS							
Cash and cash equivalents	\$ 7,367,803	\$ 33,927	\$ 638,177	\$ -	\$ -	\$ -	\$ 8,039,907
Restricted cash and cash equivalents	22,679,963	23,079	147,036	623,255	105,857	14,659,262	38,238,452
Receivables	218,382	-	5,042	-	-	-	223,424
Intergovernmental receivables	15,212,587	3,318,180	250,378	-	-	-	18,781,145
Due from other funds	1,045,175	12,592	1,724,915	2,250	-	-	2,784,932
Prepaid items	475,451	-	-	-	-	-	475,451
Inventories	-	-	76,272	-	-	-	76,272
Total assets	<u>\$ 46,999,361</u>	<u>\$ 3,387,778</u>	<u>\$ 2,841,820</u>	<u>\$ 625,505</u>	<u>\$ 105,857</u>	<u>\$ 14,659,262</u>	<u>\$ 68,619,583</u>
LIABILITIES							
Accounts payable	\$ 1,336,718	\$ 59,885	\$ 7,083	\$ -	\$ -	\$ 773,144	\$ 2,176,830
Accrued liabilities	3,239,951	16,053	46,650	-	-	-	3,302,654
Intergovernmental payables	296,694	-	-	-	-	-	296,694
Due to other funds	1,735,831	1,045,175	-	3,926	-	-	2,784,932
Bond anticipation notes payable	-	-	-	-	-	27,230,000	27,230,000
Due to retirement systems	4,779,765	2,243,586	47,601	-	-	-	7,070,952
Unearned revenues	95,628	23,079	147,036	-	-	-	265,743
Total liabilities	<u>11,484,587</u>	<u>3,387,778</u>	<u>248,370</u>	<u>3,926</u>	<u>-</u>	<u>28,003,144</u>	<u>43,127,805</u>
FUND BALANCES (DEFICIT)							
Nonspendable	475,451	-	76,272	-	-	-	551,723
Restricted	22,584,335	-	-	621,579	105,857	-	23,311,771
Assigned	5,955,169	-	2,517,178	-	-	-	8,472,347
Unassigned	6,499,819	-	-	-	-	(13,343,882)	(6,844,063)
Total fund balances (deficit)	<u>35,514,774</u>	<u>-</u>	<u>2,593,450</u>	<u>621,579</u>	<u>105,857</u>	<u>(13,343,882)</u>	<u>25,491,778</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,999,361</u>	<u>\$ 3,387,778</u>	<u>\$ 2,841,820</u>	<u>\$ 625,505</u>	<u>\$ 105,857</u>	<u>\$ 14,659,262</u>	<u>\$ 68,619,583</u>

The notes to the financial statements are an integral part of this statement.

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the statement of net position (page 12) are different because:

Total fund balances (deficit)—governmental funds (page 14)		\$ 25,491,778
Net pension assets are not financial resources and, therefore, are not reported in the fund statements.		9,069,029
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$249,031,706 and the accumulated depreciation/amortization is \$92,384,679.		156,647,027
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 7,070,952	
Deferred outflows relating to experience, changes of assumptions, investment earnings, and changes in proportion	20,251,055	
Deferred inflows of resources related to pension plans	<u>(11,864,453)</u>	15,457,554
Net accrued interest expense for bond anticipation notes, serial bonds, and the energy performance contract is not reported in the fund statements.		(111,190)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	\$ (52,705,000)	
Premiums on serial bonds	(4,476,042)	
Lease liability	(2,179,220)	
Energy performance contract	(3,308,237)	
Compensated absences	(17,580,104)	
Workers' compensation	(2,489,186)	
Net pension liability	<u>(9,480,435)</u>	<u>(92,218,224)</u>
Net position of governmental activities		<u>\$ 114,335,974</u>

The notes to the financial statements are an integral part of this statement.

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds
Year Ended June 30, 2025

	Special Revenue					Total	
	General	Special Aid	School Lunch	Special Purpose	Student Activities	Capital Projects	Governmental Funds
REVENUES							
Real property taxes and tax items	\$ 70,242,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,242,859
Non-property tax items	10,199,056	-	-	-	-	-	10,199,056
Charges for services	1,267,203	-	-	-	-	-	1,267,203
Use of money and property	2,186,706	-	7,757	-	-	-	2,194,463
Sale of property and compensation for loss	51,889	-	-	-	-	144,005	195,894
Miscellaneous	1,576,582	2,543	250	723,132	-	-	2,302,507
State sources	70,332,271	2,684,457	1,353,479	-	-	3,587,489	77,957,696
Federal sources	1,098,029	3,603,901	2,237,699	-	-	-	6,939,629
Sales—food service	-	-	297,892	-	-	-	297,892
Student activity collections	-	-	-	-	171,253	-	171,253
Total revenues	156,954,595	6,290,901	3,897,077	723,132	171,253	3,731,494	171,768,452
EXPENDITURES							
Current:							
General support	14,350,286	37,095	-	-	-	-	14,387,381
Instruction	88,235,972	6,602,259	-	680,734	-	-	95,518,965
Pupil transportation	8,939,025	189,818	-	-	-	-	9,128,843
Employee benefits	34,411,497	-	324,108	-	-	-	34,735,605
Debt service:							
Principal	6,521,274	-	-	-	-	-	6,521,274
Interest and other fiscal charges	2,757,485	-	-	-	-	-	2,757,485
Cost of sales (food service)	-	-	3,132,019	-	-	-	3,132,019
Student activities	-	-	-	-	178,955	-	178,955
Capital outlay	-	-	-	-	-	15,475,555	15,475,555
Total expenditures	155,215,539	6,829,172	3,456,127	680,734	178,955	15,475,555	181,836,082
Excess (deficiency) of revenues over expenditures	1,739,056	(538,271)	440,950	42,398	(7,702)	(11,744,061)	(10,067,630)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	538,271	-	-	-	2,199,685	2,737,956
Transfers out	(2,737,956)	-	-	-	-	-	(2,737,956)
Issuance of leases	915,990	-	-	-	-	-	915,990
Total other financing sources (uses)	(1,821,966)	538,271	-	-	-	2,199,685	915,990
Net change in fund balances (deficit)	(82,910)	-	440,950	42,398	(7,702)	(9,544,376)	(9,151,640)
Fund balances—beginning (deficit)	35,597,684	-	2,152,500	579,181	113,559	(3,799,506)	34,643,418
Fund balances—ending (deficit)	\$ 35,514,774	\$ -	\$ 2,593,450	\$ 621,579	\$ 105,857	\$ (13,343,882)	\$ 25,491,778

The notes to the financial statements are an integral part of this statement.

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances—total governmental funds (page 16) \$ (9,151,640)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded loss on disposal of assets and depreciation/amortization expense in the current period.

Capital asset additions	\$ 17,703,101	
Loss on disposal of assets	(1,495)	
Depreciation/amortization expense	<u>(5,859,635)</u>	11,841,971

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

District pension contributions	\$ 9,476,806	
Cost of benefits exceeding employee contributions	<u>(7,774,058)</u>	1,702,748

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (10,546)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, 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 measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Repayment of serial bonds	\$ 5,015,000	
Amortization of premiums on serial bonds	500,994	
Leases issued	(915,990)	
Repayment of lease liability	1,176,757	
Repayment of energy performance contract	329,517	
Change in compensated absences	61,170	
Change in workers' compensation	<u>449,294</u>	<u>6,616,742</u>

Change in net position of governmental activities		\$ <u>10,999,275</u>
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The notes to the financial statements are an integral part of this statement.

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WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Notes to the Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of West Seneca Central School District, New York (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. 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.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District reports no business-type activities, fiduciary activities, or component units.

Reporting Entity

The 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 District operations, and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the District is to provide education for pupils. Support services such as transportation of pupils, food service, administration, finance, and plant maintenance are also included.

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

Extraclassroom Activity Funds—The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management; however, since the District has administrative involvement with these funds they are reported within the District’s Student Activities Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District’s business office.

Joint Venture—The District is a participating school district in the Erie No. 1 Board of Cooperative Educational Services (“BOCES”). Formed under Section 1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services,

and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES. All BOCES property is held by the BOCES Board as a corporation under Section 1950(6) of Education Law.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. In addition, BOCES Boards are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of General Municipal Law.

The BOCES budget is comprised of separate spending plans for administrative, program, and capital costs. Each component school district shares in administrative and capital costs determined by its enrollment. Participating districts are charged a service fee for programs in which students participate, and for other shared contracted administrative services. Participating districts may also issue debt on behalf of BOCES. As of June 30, 2025, there was no debt issued by the District on behalf of BOCES.

During the fiscal year ended June 30, 2025, the District was billed \$11,511,285 for BOCES administrative and program costs. The District's share of BOCES aid and refunds amounted to \$5,009,313 for the year ended June 30, 2024. Audited financial statements are available from the Erie I BOCES administrative offices.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the District's various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial 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. All of the District's funds are considered major funds.

The District reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the District and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund are real property taxes and state sources.
- *Special Aid Fund*—The Special Aid Fund is used to account for special operating projects or programs supported in whole, or in part, with federal and state grants.
- *School Lunch Fund*—The School Lunch Fund is used to account for transactions of the District's food service operations.

- *Special Purpose Fund*—This fund is used to account for resources received through donations or raised through fund raising to be used for the benefit of organizations within the District.
- *Student Activities Fund*—This fund is used to account for extraclassroom transactions, which represents funds of the students of the District. The District exercises administrative involvement with these funds.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

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

The government-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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues reported in the governmental funds to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to noncurrent compensated absences, claims and judgments, and the net pension liability are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, non-property taxes, charges for services provided, and state and federal aid associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period of availability (60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and amount is received during the period of availability (60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The District’s cash, cash equivalents and investments consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. New York State law governs the District’s investment policies. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. The District had no investments at June 30, 2025; however, when the District does have investments they are recorded at fair value in accordance with GASB.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represents amounts to support fund balance restrictions, unspent proceeds of debt, and unearned revenues.

Receivables—Receivables are shown net of an allowance for uncollectible accounts, when applicable. No allowance or uncollectible account has been provided since it is believed that such allowance would not be material.

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than purchased.

Inventories—Inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Capital Assets—Capital assets, which include land, construction in progress, land improvements, buildings and improvements, equipment, and right-to-use lease equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than an established threshold (\$5,000) for the type of asset and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are completed. Right-to-use lease equipment are initially measured at the amount of lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, and are measured on a straight-line basis over their useful lives.

Land and construction in progress are not depreciated. Land improvements, buildings and building improvements and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Capitalization Threshold	Estimated Useful Life (years)
Land	\$ 1	n/a
Buildings and building improvements	5,000	50
Equipment	5,000	5-20
Right-to-use leased equipment	5,000	5-20

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new school bus included as part of *expenditures—pupil transportation*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial 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(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2025, the District has one item that qualifies for reporting in this category. The item is related to pension plans, reported in the government-wide financial statements. This represents the effect of the net change in the District’s proportion of the collective net pension asset or liability, the difference during the measurement period between the District’s contributions, its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At June 30, 2025, the District has one item that qualify for reporting in this category. The item represents the effect of the net change in the District’s proportion of the collective net pension asset or liability and the difference during the measurement periods between the District’s contributions, and its proportionate share of total contributions to the pension systems not included in pension expense.

Net Position Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the

order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the District Treasurer to assign fund balance. The Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes—Real property taxes are levied annually as of July 1st by the Board of Education and attached as an enforceable lien. Uncollected real property taxes are subsequently enforced by the County of Erie. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the District no later than the forthcoming April 1st.

Unearned Revenues—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At June 30, 2025, the District reported \$95,628, \$23,079, and \$147,036 of unearned revenue in the General Fund, Special Aid Fund, and School Lunch Fund, respectively, for tuition monies, grants, and food services received in advance of performing services.

Compensated Absences—It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick pay are accrued when incurred in the government-wide financial statements. Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore, the timing of future payment is not readily determinable. However, such compensated absences are contractual obligations and will be funded as such payments become due.

Pension Plans—The District is mandated by New York State law to participate in the New York State Teachers’ Retirement System (“TRS”) and the New York State and Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other

Estimates—The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, liabilities, deferred outflows/inflows of resources, and disclosure of contingent liabilities at the date of the financial statements during the reported period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*; and GASB Statement No. 102, *Certain Risk Disclosures*. GASB Statement No. 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. GASB Statement No. 102 improves financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The implementation of GASB Statements No. 101 and 102 did not have a material impact on the District’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The District has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 103, *Financial Reporting Model Improvements*; and GASB Statement No. 104, *Disclosure of Certain Capital Asset*, effective for the year ending June 30, 2026. The District is, therefore, unable to disclose the impact that adopting GASB Statements No. 103 and 104 will have on its financial position and results of operations when such statements are adopted.

Deficit Fund Balances—At June 30, 2025, the Capital Projects Fund, a major governmental fund, has a deficit fund balance of \$13,343,882. The primary reason for this deficit is that the District issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Since the BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs or retire the BANs.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The District's investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. The District's 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 demand deposit accounts, time deposit accounts and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York. Cash and cash equivalents reported by the District at June 30, 2025, is presented below:

	Governmental Funds
Deposits	\$ 46,278,359
Total	<u>\$ 46,278,359</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at June 30, 2025 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 500,000	\$ 500,000
Uninsured:		
Collateral held by the pledging bank's agent in the District's name	<u>45,776,432</u>	<u>45,778,359</u>
Total deposits	<u>\$ 46,276,432</u>	<u>\$ 46,278,359</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. At June 30, 2025, the District's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the District's name.

Restricted Cash and Cash Equivalents—The District reports unspent proceeds of debt, amounts to support unearned revenues, and restricted fund balances as restricted cash and cash equivalents. At June 30, 2025, the District reported \$38,238,452 of restricted cash within its governmental funds.

Investments—The District had no investments at June 30, 2025.

Interest Rate Risk—In accordance with its investment policy, the District manages exposures by limiting investments to low risk type investments governed by New York State statutes.

3. RECEIVABLES

Revenues accrued by the District at June 30, 2025 consisted of the following:

Receivables—Primarily represents amounts due for non-resident student tuition and transportation services and for health services provided to non-resident, non-public students. The District reported amounts of \$218,382 and \$5,042 in the General Fund and School Lunch Fund, respectively.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State and other local governments. Intergovernmental receivables at June 30, 2025 are presented below:

General Fund:

Erie County—Sales tax	\$ 1,435,540	
New York State—General and excess cost aid	11,259,059	
New York State—BOCES aid	2,080,761	
Federal Government—Medicaid reimbursement	220,000	
Local school districts	102,215	
Miscellaneous	<u>115,012</u>	\$ 15,212,587

Special Aid Fund:

New York State—Summer chapter 4408	699,756	
New York State—Summer chapter 4201	207,198	
New York State—Universal pre-kindergarten	619,177	
New York State—Teacher center	20,361	
Federal Government—Section 611	940,707	
Federal Government—Section 619	20,430	
Federal Government—Title I	572,549	
Federal Government—Title II	70,484	
Federal Government—Title IV	87,355	
Other grants	<u>80,163</u>	3,318,180

School Lunch Fund:

Federal Government—Breakfast and lunch programs	<u>250,378</u>	
Total governmental funds		<u>\$ 18,781,145</u>

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital assets, not being depreciated/amortized:				
Land	\$ 372,855	\$ -	\$ -	\$ 372,855
Construction in progress	10,346,693	15,475,555	15,636,594	10,185,654
Total capital assets, not being depreciated/amortized	10,719,548	15,475,555	15,636,594	10,558,509
Capital assets, being depreciated/amortized:				
Land improvements	2,432,266	-	-	2,432,266
Buildings and building improvements	189,123,852	15,636,594	-	204,760,446
Equipment	24,713,454	1,307,593	1,137,730	24,883,317
Right-to-use lease equipment	5,876,470	919,953	399,255	6,397,168
Total capital assets, being depreciated/amortized	222,146,042	17,864,140	1,536,985	238,473,197
Less accumulated depreciation/amortization for:				
Land improvements	2,348,264	74,113	-	2,422,377
Buildings and building improvements	67,494,116	3,359,344	-	70,853,460
Equipment	14,919,743	1,204,557	1,136,235	14,988,065
Right-to-use lease equipment	3,298,411	1,221,621	399,255	4,120,777
Total accumulated depreciation/amortization	88,060,534	5,859,635	1,535,490	92,384,679
Total capital assets, being depreciated/amortized, net	134,085,508	12,004,505	1,495	146,088,518
Governmental activities, capital assets, net	\$ 144,805,056	\$ 27,480,060	\$ 15,638,089	\$ 156,647,027

Depreciation/amortization expense was charged to the functions and programs of governmental activities as follows:

General support	\$ 589,764
Instruction	4,857,775
Transportation	320,530
School food service	91,565
Total	<u>\$ 5,859,634</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2025, were as follows:

	General Fund	Special Aid Fund	School Lunch Fund	Total Governmental Funds
Salary and employee benefits	\$ 3,239,951	\$ 16,053	\$ 46,650	\$ 3,302,654

6. PENSION PLANS

The District participates in the New York State Teachers' Retirement System ("TRS") and the New York State and Local Employees' Retirement System ("ERS") (the "Systems"). These cost-sharing multiple-employer public employee retirement systems compute contribution requirements based on the New York State Retirement and Social Security Law ("NYSRSSL").

Plan Descriptions and Benefits Provided

Teachers' Retirement System—TRS provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Annual Comprehensive Financial Report which can be found on TRS's website at www.nystrs.org.

Employees' Retirement System—ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. ERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At June 30, 2025, the District reported the liability as presented on the following page for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of June 30, 2024 for TRS and March 31, 2025 for ERS. The total pension liability used to calculate the net pension liability/(asset) was determined by actuarial valuations as of June 30, 2023 and April 1, 2024, respectively, with update procedures used to rollforward the total pension liability to the measurement dates. The District's

proportion of the net pension liability/(asset) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2025
Net pension liability/(asset)	\$ (9,069,029)	\$ 9,480,435
District's portion of the Plan's total net pension liability/(asset)	0.3039620%	0.0552933%

For the year ended June 30, 2025, the District recognized a pension expense of \$4,863,066 and \$2,669,050 for the TRS and ERS, respectively. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences	\$ 9,765,679	\$ 2,353,108	\$ -	\$ 110,997
Changes of assumptions	5,425,117	397,591	912,555	-
Net difference between projected and actual earnings on pension plan investments	-	743,808	10,076,464	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	108,540	1,457,212	427,687	336,750
District contributions subsequent to the measurement date	6,274,171	796,781	-	-
Total	<u>\$ 21,573,507</u>	<u>\$ 5,748,500</u>	<u>\$ 11,416,706</u>	<u>\$ 447,747</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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:

Year Ending June 30,	TRS	ERS
2026	\$ (4,768,106)	\$ 2,136,563
2027	11,005,613	2,795,201
2028	(1,885,852)	(559,848)
2029	(2,083,949)	132,056
2030	1,148,579	-
Thereafter	466,345	-

Actuarial Assumptions—The total pension liability as of the measurement dates were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liability to the respective measurement dates. The actuarial valuations used are presented on the following page.

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2025
Actuarial valuation date	June 30, 2023	April 1, 2024
Interest rate	6.95%	5.90%
Salary scale	1.95%-5.18%	4.30%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2020
Inflation rates	2.40%	2.90%
Cost-of-living adjustments	1.30%	1.50%

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. 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, 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. 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.

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:

	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2024	March 31, 2025
Measurement date				
Asset class:				
Domestic equities	33.0 %	25.0 %	6.6 %	3.5 %
International equities	15.0	14.0	7.4	6.6
Global equities	4.0	0.0	6.9	0.0
Private equity	9.0	15.0	10.0	7.3
Real estate	11.0	12.0	6.3	5.0
Opportunistic portfolio/Absolute return strategies	0.0	3.0	0.0	5.3
Credit	0.0	4.0	0.0	5.4
Domestic fixed income securities	16.0	0.0	2.6	0.0
Global bonds	2.0	0.0	2.5	0.0
High-yield bonds	1.0	0.0	4.8	0.0
Private debt	2.0	0.0	5.9	0.0
Real assets	0.0	4.0	0.0	5.6
Real estate debt	6.0	0.0	3.9	0.0
Fixed income	0.0	22.0	0.0	2.0
Cash	1.0	1.0	0.5	0.3
Total	100.0 %	100.0 %		

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

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the District's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the District's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.95% for TRS and 4.90% for ERS) or one percentage-point higher (7.95% for TRS and 6.90% for ERS) than the current assumption.

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension/(asset)	\$ 41,890,368	\$ (9,069,029)	\$ (51,927,249)
	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension liability/(asset)	\$ 27,437,571	\$ 9,480,435	\$ (5,513,786)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability of the employers as of the respective valuation dates, were as follows:

	(Dollar in Thousands)	
	TRS	ERS
Valuation date	June 30, 2023	April 1, 2024
Employers' total pension liability	\$ 142,837,827	\$ 247,600,239
Plan fiduciary net position	145,821,435	230,454,512
Employers' net pension liability/(asset)	<u>\$ (2,983,608)</u>	<u>\$ 17,145,727</u>
System fiduciary net position as a percentage of total pension liability/(asset)	102.1%	93.1%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$6,274,171.

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$796,781.

7. RISK MANAGEMENT

The District is exposed to various risks of losses. Generally, all risks of loss are covered through the purchase of commercial insurance with the exception of workers’ compensation claims. Settled claims under the District’s commercial insurance have not exceeded commercial coverage in any of the past three fiscal years. The District has decided to self-insure its workers’ compensation expenditures that are less than the minimum claim covered by its umbrella insurance policy. The District reports its risk management activities in the funds which incurred the expense. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

Total claims and judgments expenditures of \$1,231,076 were recorded in the General Fund for the year ended June 30, 2025.

Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (“IBNR”). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. The District uses an excess loss policy for claims exceeding \$600,000 for workers’ compensation to reduce its exposure to large losses.

The following summarizes workers’ compensation claims reported and claim payments including liability balances outstanding for fiscal years ended June 30, 2025 and June 30, 2024.

Fiscal Year Ended June 30,	Beginning Balance	Claims	Payments	Ending Balance
2025	\$ 2,938,480	\$ 781,782	\$ 1,231,076	\$ 2,489,186
2024	2,709,305	1,133,350	904,175	2,938,480

At June 30, 2025, \$4,889,826 of the General Fund’s fund balance was reserved for loss contingencies for purposes of funding the District’s future workers’ compensation claim liabilities.

8. LEASES

Lease Payable—The District is a lessee for a noncancellable lease of various equipment. The District recognizes a liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities that are significant individually, or in the aggregate, to the financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus

certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

During the years ended June 30, 2020, 2021, 2022, 2024, and 2025, the District entered into long-term lease agreements as the lessee for the acquisition and use of various equipment. As of June 30, 2025, the value of the lease liability was \$2,179,220. The District is required to make annual principal and interest payments on the equipment ranging from \$513 to \$21,369. The leases have interest rates ranging from 1.26% to 5.37%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$6,397,168 and had accumulated amortization of \$4,120,777. A portion of the right-to-use asset is prefunded and is not recorded as a lease liability at year-end.

The future principal and interest payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 840,151	\$ 81,751	\$ 921,902
2027	672,231	49,119	721,350
2028	443,999	22,220	466,219
2029	221,820	6,248	228,068
2030	1,019	6	1,025
	<u>\$ 2,179,220</u>	<u>\$ 159,344</u>	<u>\$ 2,338,564</u>

9. SHORT-TERM DEBT

Liabilities for bond anticipation notes (“BANs”) are generally accounted in the Capital Projects Fund as notes payable. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date.

A summary of the District’s short-term debt for the fiscal year ended June 30, 2025 is presented on the following page.

Description	Maturity Date	Interest Rate	Balance 7/1/2024	Issued	Redeemed	Balance 6/30/2025
Bond anticipation notes:						
Capital projects	6/27/2025	4.5%	\$ 11,500,000	\$ -	\$ 11,500,000	\$ -
Capital projects	6/26/2026	4.0%	-	27,230,000	-	27,230,000
Total bond anticipation notes			<u>\$ 11,500,000</u>	<u>\$ 27,230,000</u>	<u>\$ 11,500,000</u>	<u>\$ 27,230,000</u>

10. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The District's outstanding long-term liabilities include bonds payable, lease liability, energy performance contract, compensated absences, workers' compensation, and net pension liability. The serial bonds of the District are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the District's long-term liabilities for the year ended June 30, 2025 follows:

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Serial bonds	\$ 57,720,000	\$ -	\$ 5,015,000	\$ 52,705,000	\$ 5,060,000
Premium on serial bonds	4,977,036	-	500,994	4,476,042	500,994
Bonds payable, net	62,697,036	-	5,515,994	57,181,042	5,560,994
Lease liability	2,439,987	915,990	1,176,757	2,179,220	840,151
Energy performance contract	3,637,754	-	329,517	3,308,237	341,018
Compensated absences*	17,641,274	-	61,170	17,580,104	879,005
Workers' compensation	2,938,480	781,782	1,231,076	2,489,186	936,217
Net pension liability*	12,161,163	-	2,680,728	9,480,435	-
Total	<u>\$ 101,515,694</u>	<u>\$ 1,697,772</u>	<u>\$ 10,995,242</u>	<u>\$ 92,218,224</u>	<u>\$ 8,557,385</u>

(*Reductions to net pension liability and compensated absences are shown net of additions.)

Serial Bonds—The District issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. Serial bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 15 to 16 years.

In the event of default in the payment of the principal of or interest on the serial bonds, 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 Bonds. The District does not hold any lines of credits

Principal is paid annually, interest is paid semi-annually; these payments are recorded in the General Fund. A summary of payments for the year ended June 30, 2025 is shown below:

Description	Original Issue	Interest Rate (%)	Issue/ Maturity	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025
District improvements	\$ 20,000,000	2.98	2013/2028	\$ 5,360,000	\$ -	\$ 1,720,000	\$ 3,640,000
District improvements	18,835,000	2.00-5.00	2020/2035	15,715,000	-	1,145,000	14,570,000
District improvements	9,025,000	2.00-5.00	2021/2036	7,640,000	-	510,000	7,130,000
District improvements	11,500,000	4.00	2022/2037	10,315,000	-	620,000	9,695,000
District improvements	18,690,000	4.00	2023/2038	18,690,000	-	1,020,000	17,670,000
				<u>\$ 57,720,000</u>	<u>\$ -</u>	<u>\$ 5,015,000</u>	<u>\$ 52,705,000</u>

Premiums on Serial Bonds—Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental activities. The premiums are being amortized on a straight-line basis over the life of the bonds. Unamortized bond premiums at June 30, 2025 total \$4,476,042.

Lease Liability—The District enters into long-term leases for equipment. The outstanding balance at June 30, 2025 for governmental activities was \$2,179,220. The liability is anticipated to be liquidated by the General Fund. Refer to Note 8 for additional information related to the District's leases.

Energy Performance Contract ("EPC")—On August 23, 2018, the District entered into an energy performance financing agreement for modifications to various facilities. The modifications were made to improve energy efficiency. The EPC carries an interest rate of 3.46% and is payable semi-annually. The total outstanding balance at June 30, 2025 was \$3,308,237.

The following table summarizes the annual requirements of the energy performance contract:

Year Ending June 30,	Governmental Activities
2026	\$ 452,589
2027	452,589
2028	452,589
2029	452,589
2030	452,589
2031-2034	<u>1,584,061</u>
Total minimum lease payments	3,847,006
Less: Amount representing imputed interest costs	<u>(538,769)</u>
Present value of minimum lease payments	<u>\$ 3,308,237</u>

As of June 30, 2025, the District's EPC project is capitalized as \$4,217,982 of building improvements, including cost of \$5,129,977 and accumulated depreciation of \$1,595,993.

Compensated Absences—In addition to pension benefits, the District allows certain employees to convert unused sick and vacation time into either cash or a deferred income plan to pay for future health insurance premiums at retirement. Such benefits are pursuant to a Special Retirement Agreement and an Attendance Improvement Program. Currently, retirees who meet these eligibility requirements can elect to convert such time for the payment of health insurance premiums.

As explained in Note 1, the District records the value of compensated absences. The annual budgets of the operating funds provide funding for these benefits as they become payable. The value recorded in the government-wide financial statements at June 30, 2025, for governmental activities is \$17,580,104, of which management estimates that \$879,005 is due within one year. Since payment of compensated absences' is dependent upon many factors, the timing of future payments is not readily determinable.

Workers' Compensation—As described in Note 7, the District is self-insured for workers' compensation claims under the District's commercial insurance limit. Liabilities are established for workers' compensation in accordance with GASB requirements. At June 30, 2025, the District reported \$2,489,186 of workers' compensation liability.

Net Pension Liability—The District reported a liability, totaling \$9,480,435, for its proportionate share of the net pension liability for the Teachers' Retirement System and the Employees' Retirement System. Refer to Note 6 for additional information related to the District's net pension liability.

The following is a maturity schedule of the District's indebtedness:

Year Ending June 30,	Serial Bonds	Premium on Serial Bonds	Lease Liability	Energy Performance Contract	Compensated Absences	Workers' Compensation	Net Pension Liability	Total
2026	\$ 5,060,000	\$ 500,994	\$ 840,151	\$ 341,018	\$ 879,005	\$ 936,217	\$ -	\$ 8,557,385
2027	4,855,000	500,994	672,231	352,923	-	-	-	6,381,148
2028	4,520,000	428,881	443,999	365,243	-	-	-	5,758,123
2029	3,930,000	377,383	221,820	377,994	-	-	-	4,907,197
2030	4,095,000	377,383	1,019	391,189	-	-	-	4,864,591
2031-2035	22,655,000	1,886,915	-	1,479,870	-	-	-	26,021,785
2036-2039	7,590,000	403,492	-	-	-	-	-	7,993,492
Thereafter	-	-	-	-	16,701,099	1,552,969	9,480,435	27,734,503
Total	<u>\$ 52,705,000</u>	<u>\$ 4,476,042</u>	<u>\$ 2,179,220</u>	<u>\$ 3,308,237</u>	<u>\$ 17,580,104</u>	<u>\$ 2,489,186</u>	<u>\$ 9,480,435</u>	<u>\$ 92,218,224</u>

Interest requirements on serial bonds, leases, and energy performance contract are as follows:

Year Ending June 30,	Serial Bonds	Lease Liability	Energy Performance Contract
2026	\$ 1,907,250	\$ 81,751	\$ 111,570
2027	1,698,750	49,119	99,665
2028	1,495,150	22,220	87,345
2029	1,311,600	6,248	74,595
2030	1,148,200	6	61,400
2031-2035	3,555,400	-	104,194
2036-2039	530,200	-	-
Total	<u>\$ 11,646,550</u>	<u>\$ 159,344</u>	<u>\$ 538,769</u>

11. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets**—This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- **Restricted Net Position**—This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position**—This category represents net position of the District not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the District at June 30, 2025, includes:

- **Prepaid Items**—Represents the portion of fund balance, \$475,451, composed of prepayments for the New York Schools insurance reciprocal premium. This balance is nonspendable within the General Fund as prepaid items do not represent an available resource.
- **Inventories**—Represents the portion of fund balance, \$76,272 composed of inventory. This balance is nonspendable within the School Lunch Fund as the inventory does not represent an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grantors, contributors, or laws and regulations of other governments) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the District at June 30, 2025 is presented below:

	General Fund	Special Purpose Fund	Student Activities Fund	Total
Tax certiorari	\$ 503,036	\$ -	\$ -	\$ 503,036
Unemployment insurance	372,856	-	-	372,856
Retirement contributions	6,694,038	-	-	6,694,038
Debt service	2,625	-	-	2,625
Workers' compensation	4,889,826	-	-	4,889,826
Employee benefits	3,201,826	-	-	3,201,826
Capital projects	6,920,128	-	-	6,920,128
Special purpose	-	621,579	-	621,579
Student activities	-	-	105,857	105,857
Total	<u>\$ 22,584,335</u>	<u>\$ 621,579</u>	<u>\$ 105,857</u>	<u>\$ 23,311,771</u>

- ***Restricted for Tax Certiorari***—According to Education Law Section 3651.1-a, this restriction must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the restriction shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeds in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.
- ***Restricted for Unemployment Insurance***—According to General Municipal Law Section 6-m, this restriction must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The restriction may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.
- ***Restricted for Retirement Contributions***—According to General Municipal Law Section 6-r, this restriction must be used to pay "retirement contributions," which are defined as all or any portion of the amount payable to the ERS (\$2,224,198), pursuant to Sections 17 or 317 of the NYSSRL, and to the TRS (\$4,469,840), pursuant to the newly amended Section 6-r. The restriction may be established by Board resolution; there are no referendum requirements to create the funds or expend money from the funds. The Board may authorize the transfer of the moneys to a reserve fund established pursuant to Sections 6c-g of the GML or Section 3651 of Education Law.
- ***Restricted for Debt Service***—According to General Municipal Law Section 6-l, the mandatory reserve for debt service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvements.
- ***Restricted for Workers' Compensation***—According to General Municipal Law Section 6-j, this restriction must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of the 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.
- ***Restricted for Employee Benefits***—According to General Municipal Law Section 6-p, this restriction must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

- ***Restricted for Capital Projects***—According to Education Law Section 3651, this restriction must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the restriction only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of the Education Law.
- ***Restricted for Special Purpose***—Represents resources received through donation or raised through fundraising to be used for the benefit of organizations within the District.
- ***Restricted for Student Activities***—Amounts generated by the Extraclassroom Activities of the District which are restricted for use only within the Student Activities Fund for specified student activities.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority. As of June 30, 2025, the District reported no committed fund balance.

In the fund financial statements, assignments are not legally required segregations but are segregated for a specific purpose by the District at June 30, 2025 and include:

	General Fund	School Lunch Fund	Total
Subsequent year's expenditures	\$ 5,560,529	\$ -	\$ 5,560,529
Encumbrances	394,640	-	394,640
Specific use	-	2,517,178	2,517,178
Total	<u>\$ 5,955,169</u>	<u>\$ 2,517,178</u>	<u>\$ 8,472,347</u>

- ***Assigned to Subsequent Year's Expenditures***—Represents available fund balance being appropriated to meet expenditure requirements in the 2025-2026 fiscal year.
- ***Assigned to Encumbrances***—Represents amounts related to unperformed (executory) contracts for goods and services. The District has \$394,640 of fund balance assigned to encumbrances at June 30, 2025.
- ***Assigned to Specific Use***—Representing remaining fund balance of \$2,517,178 within the special revenue fund used to maintain school lunch operations.

If the District must use funds for emergency expenditures the Board of Education shall authorize the Business Administrator to expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available, the District will use unassigned fund balance.

12. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of June 30, 2025 is as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 1,045,175	\$ 1,735,831
Special Aid Fund	12,592	1,045,175
School Lunch	1,724,915	-
Special Purpose Fund	<u>2,250</u>	<u>3,926</u>
Total	<u>\$ 2,784,932</u>	<u>\$ 2,784,932</u>

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. All of these balances are expected to be collected/paid within the subsequent year.

The District made the transfers presented below during the year ended June 30, 2025.

	<u>Transfers in:</u>		
	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfers out:			
General Fund	<u>\$ 538,271</u>	<u>\$ 2,199,685</u>	<u>\$ 2,737,956</u>

Transfers are used primarily to finance certain special aid and school lunch programs, and to support capital project expenditures.

13. LABOR CONTRACTS

District employees are represented by five bargaining units with the balance governed by Board of Education rules and regulations. The Teacher Association contract is negotiated through June 30, 2026, the Administration Association and Managerial Assistants contracts are negotiated through June 30, 2028, and the Supervisors and Directors and CSEA contracts are negotiated through June 30, 2029.

14. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The District considers encumbrances to be significant for amounts that are encumbered in excess of \$20,000. As of June 30, 2025, the District reported the significant encumbrances presented on the following page.

Fund	Purpose	Amount	
		Encumbered	
General	Tuition	\$	125,524
General	Tractor		59,900
General	Crossing guards		40,000
General	Score board		35,484
General	Tractor & snow blower		30,177

15. TAX ABATEMENTS

The District is subject to tax abatements granted by the Erie County Industrial Development Agency (“ECIDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the ECIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the District, the abatements have resulted in reductions of property taxes, which the District administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by ECIDA, the District collected \$186,041 during the 2024-2025 fiscal year in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$1,268,401 in property taxes.

16. CONTINGENCIES

Litigation—Various legal actions are pending against the District. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the District.

Grants—In the normal course of business, the District receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Other—The District is involved in litigation in the ordinary course of its operations. The District believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the District’s financial condition or results of operations.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 9, 2025, which is the date the financial statements are available for issuance and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the
Net Pension Liability/(Asset)—Teachers' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability/(asset)	0.303962%	0.306373%	0.299888%	0.300409%	0.289159%	0.289159%	0.289712%	0.287648%	0.289726%	0.302614%
District's proportionate share of the net pension liability/(asset)	<u>\$ (9,069,029)</u>	<u>\$ 3,503,636</u>	<u>\$ 5,754,527</u>	<u>\$ (52,058,056)</u>	<u>\$ 8,113,684</u>	<u>\$ (7,512,383)</u>	<u>\$ (5,238,766)</u>	<u>\$ (2,186,411)</u>	<u>\$ 3,103,090</u>	<u>\$ (31,431,967)</u>
District's covered payroll	\$ 58,808,102	\$ 57,097,466	\$ 53,537,425	\$ 51,146,244	\$ 50,196,702	\$ 48,608,289	\$ 47,533,031	\$ 45,899,846	\$ 44,963,272	\$ 44,129,885
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(15.4%)	6.1%	10.7%	(101.8%)	16.2%	(15.5%)	(11.0%)	(4.8%)	6.9%	(71.2%)
Plan fiduciary net position as a percentage of the total pension liability	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Contributions—
Teachers' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	<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	\$ 6,274,171	\$ 6,049,740	\$ 6,139,006	\$ 5,433,814	\$ 5,009,250	\$ 4,415,616	\$ 5,125,788	\$ 5,342,296	\$ 5,928,240	\$ 7,968,569
Contributions in relation to the contractually required contribution	<u>(6,274,171)</u>	<u>(6,049,740)</u>	<u>(6,139,006)</u>	<u>(5,433,814)</u>	<u>(5,009,250)</u>	<u>(4,415,616)</u>	<u>(5,125,788)</u>	<u>(5,342,296)</u>	<u>(5,928,240)</u>	<u>(6,423,036)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,545,533</u>
District's covered payroll	\$ 58,711,651	\$ 58,808,102	\$ 57,097,466	\$ 53,537,425	\$ 51,146,244	\$ 50,196,702	\$ 48,608,289	\$ 47,533,031	\$ 45,899,846	\$ 44,963,272
Contributions as a percentage of covered payroll	10.7%	10.3%	10.8%	10.1%	9.8%	8.8%	10.5%	11.2%	12.9%	14.3%

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	<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>
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
District's proportion of the net pension liability/(asset)	0.055293%	0.058799%	0.053388%	0.048834%	0.047837%	0.049368%	0.049216%	0.049067%	0.050277%	0.050411%
District's proportionate share of the net pension liability/(asset)	<u>\$ 9,480,435</u>	<u>\$ 8,657,527</u>	<u>\$ 11,448,603</u>	<u>\$ (3,991,947)</u>	<u>\$ 47,633</u>	<u>\$ 13,072,961</u>	<u>\$ 3,487,098</u>	<u>\$ 1,583,616</u>	<u>\$ 4,724,162</u>	<u>\$ 8,091,025</u>
District's covered payroll	\$ 21,357,395	\$ 21,662,815	\$ 18,738,126	\$ 18,766,653	\$ 17,480,282	\$ 17,587,069	\$ 16,957,928	\$ 16,164,644	\$ 15,348,211	\$ 14,951,207
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	44.4%	40.0%	61.1%	(21.3%)	0.3%	74.3%	20.6%	9.8%	30.8%	54.1%
Plan fiduciary net position as a percentage of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Contributions—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	<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	\$ 3,202,635	\$ 3,167,379	\$ 2,870,784	\$ 2,602,688	\$ 2,634,835	\$ 2,491,259	\$ 2,405,022	\$ 2,737,986	\$ 2,679,908	\$ 2,846,928
Contributions in relation to the contractually required contribution	<u>(3,202,635)</u>	<u>(3,167,379)</u>	<u>(2,870,784)</u>	<u>(2,602,688)</u>	<u>(2,634,835)</u>	<u>(2,491,259)</u>	<u>(2,405,022)</u>	<u>(2,737,986)</u>	<u>(2,449,944)</u>	<u>(2,662,981)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,964</u>	<u>\$ 183,947</u>
District's covered payroll	\$ 21,705,527	\$ 21,662,815	\$ 20,719,731	\$ 19,129,543	\$ 17,438,135	\$ 17,873,579	\$ 17,198,095	\$ 16,478,986	\$ 16,098,388	\$ 14,999,504
Contributions as a percentage of covered payroll	14.8%	14.6%	13.9%	13.6%	15.1%	13.9%	14.0%	16.6%	15.2%	17.8%

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Local sources:				
Real property taxes	\$ 61,966,619	\$ 61,966,619	\$ 63,025,451	\$ 1,058,832
Real property tax items	8,159,999	8,159,999	7,217,408	(942,591)
Non-property tax items	9,500,000	9,500,000	10,199,056	699,056
Charges for services	1,333,750	1,333,750	1,267,203	(66,547)
Use of money and property	1,305,031	1,305,031	2,186,706	881,675
Sale of property and compensation for loss	-	-	51,889	51,889
Miscellaneous	580,000	580,000	1,576,582	996,582
State sources:				
Basic formula	35,019,266	31,914,152	35,947,091	4,032,939
Lottery aid	12,250,000	12,250,000	10,305,628	(1,944,372)
Excess cost aid	12,542,618	12,542,618	14,370,936	1,828,318
Mobile sports wagering aid	-	3,105,114	3,105,114	-
BOCES aid	4,880,713	4,880,713	4,588,468	(292,245)
Tuition and transportation	300,000	300,000	1,107,579	807,579
Textbook aid	392,489	392,489	381,777	(10,712)
Computer software	98,494	98,494	98,404	(90)
Computer hardware	111,381	111,381	106,192	(5,189)
Library / loan program	41,094	41,094	41,056	(38)
Other State aid	50,000	50,000	280,026	230,026
Federal sources:				
Federal emergency management agency	-	-	25,808	25,808
Medicaid assistance	1,100,000	1,100,000	1,072,221	(27,779)
Total revenues	<u>149,631,454</u>	<u>149,631,454</u>	<u>156,954,595</u>	<u>7,323,141</u>
OTHER FINANCING SOURCES				
Issuance of leases	-	915,990	915,990	-
Appropriated reserves	-	759,892	-	(759,892)
Total other financing sources	<u>-</u>	<u>1,675,882</u>	<u>915,990</u>	<u>(759,892)</u>
Total revenues and other financing sources	<u>\$ 149,631,454</u>	<u>\$ 151,307,336</u>	<u>\$ 157,870,585</u>	<u>\$ 6,563,249</u>

(continued)

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget (Non-GAAP Basis) and Actual—General Fund
Year Ended June 30, 2025

(concluded)

	<u>Budgeted Amounts</u>		<u>Actual</u>		<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Encumbrances</u>	<u>Final Budget</u>
EXPENDITURES					
General support:					
Board of Education	\$ 158,910	\$ 153,701	\$ 138,074	\$ -	\$ 15,627
Central administration	323,887	355,454	353,839	-	1,615
Finance	1,504,029	1,679,953	1,621,614	40,058	18,281
Staff	894,971	980,920	961,134	-	19,786
Central services	10,152,143	10,285,871	10,095,324	116,416	74,131
Special items	1,802,398	1,190,921	1,180,301	-	10,620
Instruction:					
Instruction, administration and improvement	6,760,748	7,228,839	7,162,236	2,028	64,575
Teaching—regular school	41,616,916	42,588,823	42,262,765	68,634	257,424
Programs for pupils with handicapping conditions	24,161,389	22,589,680	21,695,947	138,338	755,395
Occupational education	3,598,100	3,446,973	3,440,400	11	6,562
Teaching—special schools	840,959	830,623	853,683	-	(23,060)
Instructional media	5,696,177	5,551,691	5,491,245	13,883	46,563
Pupil services	7,642,883	7,499,642	7,329,696	7,971	161,975
Pupil transportation	8,127,703	8,996,347	8,939,025	7,301	50,021
Employee benefits	34,663,120	34,979,020	34,411,497	-	567,523
Debt service	8,017,190	9,278,947	9,278,759	-	188
Total expenditures/encumbrances	<u>155,961,523</u>	<u>157,637,405</u>	<u>155,215,539</u>	<u>394,640</u>	<u>2,027,226</u>
OTHER FINANCING USES					
Transfers out	<u>390,000</u>	<u>390,000</u>	<u>2,737,956</u>	<u>-</u>	<u>(2,347,956)</u>
Total expenditures/encumbrances and other financing uses	<u>156,351,523</u>	<u>158,027,405</u>	<u>157,953,495</u>	<u>394,640</u>	<u>(320,730)</u>
Net change in fund balance*	(6,720,069)	(6,720,069)	(82,910)		
Fund balance—beginning	<u>35,597,684</u>	<u>35,597,684</u>	<u>35,597,684</u>		
Fund balance—ending	\$ 28,877,615	\$ 28,877,615	\$ 35,514,774		

* The net change in fund balance was included as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The note to the required supplementary information is an integral part of this schedule.

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WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Note to the Required Supplementary Information
Year Ended June 30, 2025

1. BUDGETARY INFORMATION

Budgetary Basis of Accounting—An annual budget is adopted on a basis consistent with generally accepted accounting principles in the United States of America for the General Fund. The Capital Projects Fund is appropriated on a project-length basis. No formal annual budget is adopted for the Special Aid, School Lunch Fund, Special Purpose and Student Activities funds. Appropriation limits, where applicable, for the Special Aid Fund, Special Purpose Fund, and Student Activities Fund are maintained based on individual grants and donations or fundraising revenues accepted by the Board of Education. The periods of such grants may vary from the District's fiscal year. A budget is maintained for the School Lunch Fund as a management tool for internal control purposes.

The appropriated budget is prepared by fund, function, and department. The District's department heads may make transfers of appropriations within a department. Transfers of appropriations, exceeding \$10,000, between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Excess of Expenditures Over Appropriations—The District has expenditures exceeding the budget in teaching—special education as a result of higher than anticipated personnel costs and transfers out as a result of greater than anticipated capital project activity.

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SUPPLEMENTARY INFORMATION

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit—General Fund
Year Ended June 30, 2025

Change from Adopted Budget to Final Budget

Adopted budget, 2024-2025	\$ 156,020,575
Add: Prior year's encumbrances	<u>330,948</u>
Original budget, 2024-2025	156,351,523
Budget revisions:	
Use of reserves for vehicle purchase	759,892
Issuance of leases	<u>915,990</u>
Final budget, 2024-2025	<u>\$ 158,027,405</u>

Section 1318 of Real Property Tax Law Limit Calculation

2025-2026 voter approved expenditure budget	<u>\$ 162,495,482</u>	
Maximum allowed (4% of 2025-2026 budget)		<u>\$ 6,499,819</u>

General Fund fund balance subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:		
Assigned fund balance	\$ 5,955,169	
Unassigned fund balance	<u>6,499,819</u>	
Total unrestricted fund balance		\$ 12,454,988

Less:

Appropriated fund balance	\$ 5,560,529	
Encumbrances included in assigned fund balance	<u>394,640</u>	
Total adjustments		<u>5,955,169</u>

General Fund fund balance subject to Section 1318 of Real Property Tax Law	<u>\$ 6,499,819</u>
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Actual percentage	4.00%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", updated April 2011 (originally issued November 2010), the portion of General Fund fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Capital Project Expenditures
Year Ended June 30, 2025

Description	Original Appropriation	Revised Appropriation	Expenditures to Date			Unexpended Balance
			Prior Years	Current Year	Total	
Capital Outlay 2024-25	\$ 100,000	\$ 100,000	\$ -	\$ 99,685	\$ 99,685	\$ 315
2025 Smart Schools Bond Act	600,000	600,000	-	2,750	2,750	597,250
2025 Building Condition Survey	399,965	399,965	-	399,965	399,965	-
2018 Capital Improvement Project	75,500,000	75,500,000	65,202,981	8,302,577	73,505,558	1,994,442
2023 Capital Improvement Project	23,500,000	23,500,000	-	6,670,578	6,670,578	16,829,422
Total	<u>\$ 100,099,965</u>	<u>\$ 100,099,965</u>	<u>\$ 65,202,981</u>	<u>\$ 15,475,555</u>	<u>\$ 80,678,536</u>	<u>\$ 19,421,429</u>

WEST SENECA CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
June 30, 2025

Capital assets, net of accumulated depreciation		\$ 156,647,027
Add:		
Unspent debt proceeds		14,659,262
Deduct:		
Serial bonds	\$ (52,705,000)	
Premium on serial bonds	(4,476,042)	
Bond Anticipation Note	(27,230,000)	
Accounts payable—Capital Projects Fund	(773,144)	
Lease liability	(2,179,220)	
Energy performance contract	<u>(3,308,237)</u>	<u>(90,671,643)</u>
Net investment in capital assets		<u>\$ 80,634,646</u>

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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*

The Board of Education
West Seneca Central School District, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of West Seneca Central School District, New York (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 9, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

October 9, 2025