ELLICOTTVILLE CENTRAL SCHOOL DISTRICT

AUDIT REPORTING PACKAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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2025 REPORTING PACKAGE

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ELLICOTTVILLE CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

ELLICOTTVILLE CENTRAL SCHOOL DISTRICT

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BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the President and Members of
The Board of Education
Ellicottville Central School District
Ellicottville, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the ***Ellicottville Central School District*** as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 7 to the financial statements, during the current year the District adopted new accounting standard, GASB Statement No. 101, Compensated Absences, which resulted in a prior period adjustment. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the ***Ellicottville Central School District's*** June 30, 2024 financial statements, and our report dated September 17, 2024, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-10) and budgetary comparison information (pages 36-37) schedule of changes in District's net OPEB liability and related ratios (page 43), schedule of District contributions – OPEB (page 44), schedule of the District contributions for defined benefit pension plans (page 45) and the schedule of the District's proportionate share of the net pension asset/liability (page 46) 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 ***Ellicottville Central School District's*** basic financial statements. The accompanying combining and individual fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2025, on our consideration of the ***Ellicottville Central School District's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ***Ellicottville Central School District's*** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering ***Ellicottville Central School District's*** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
September 23, 2025

I. Discussion and Analysis

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

II. Financial Highlights

The following items are the financial highlights experienced by the ***Ellicottville Central School District*** during the fiscal year ended June 30, 2025:

- Overall net position from operations of the District increased during the current year in the amount of $845,000 as compared to an increase of $321,000 during the prior fiscal year.
- The District's total revenue increased approximately 3% from $16,170,000 during June 30, 2024 to $16,633,000 during June 30, 2025. This increase was primarily the result of an increase in real estate taxes and state aid.
- The District's total expenses decreased approximately 0% from $15,849,000 during the year ended June 30, 2024 to $15,788,000 during the year ended June 30, 2025. This decrease was primarily the result of a decrease in pension expense related to actuarial updates which was partially offset by increases in salaries, health insurance costs, and BOCES expenses.
- The District had capital outlays during the current year in the amount of approximately $1,121,000, which primarily related to construction costs associated with an $4.5 million renovation project, capital outlay project and right-to-use assets, including buses and technology equipment.

III. Overview of the Financial Statements

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

III. Overview of the Financial Statements (continued)

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

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

1. Statement of Net Position

   The Statement of Net Position (page 11) shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

2. Statement of Activities

   The Statement of Activities (page 12) shows the amounts of program-specific and general District revenue used to support the District's various functions.

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

The two district-wide statements report the School District's net position and how they have changed. Net Position – the difference between the District's assets and deferred outflows of resources and the District's liabilities and deferred inflows of resources – is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

III. Overview of the Financial Statements (continued)

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

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

The District has two kinds of funds:

1. Governmental Funds

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

III. Overview of the Financial Statements (continued)

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

1. Governmental Funds (continued)

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

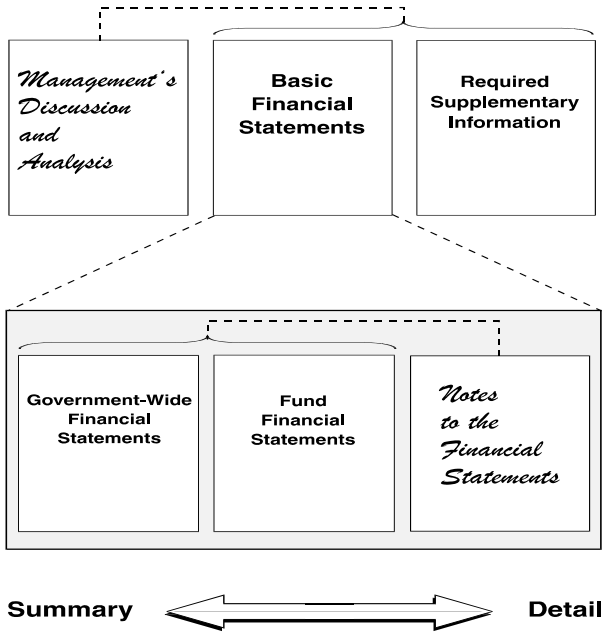
2. Fiduciary Funds

The District does not have activities that qualify for reporting as a fiduciary fund.

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

		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Funds used to account for resources held for the benefit of parties outside the District.
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital and right-to-use assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital and right-to use assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

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



IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net position was approximately $14,856,000. The components of net position include: net investment in capital assets, of $10,735,000; restricted net position of $1,675,000; and unrestricted net position of $2,446,000 as of June 30, 2025.

Changes in Net Position

The District's total government-wide revenue increased by approximately 3% to $16,633,000. Approximately 58%, 7% and 30% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining 5% comes from federal aid, use of money and property, miscellaneous, charges for services and other operating grants and contributions.

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

Changes in Net Position (continued)

The total cost of all programs and services of the District decreased 0% to $15,788,000. The District's expenses cover a range of services, with 72% related to instruction and 17% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

Governmental Activities

Revenue of the District's governmental activities increased approximately 3%, while total expenses decreased 0%. The District's total net position increased approximately $845,000 from operations during the fiscal year ended June 30, 2025.

Figure A-5 presents the major sources of revenue of the District. Revenue of the District totaled $16,633,000 for the fiscal year ended June 30, 2025. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue, which represents approximately 58% of the District's total revenue for governmental activities, increased approximately 5% during the year ended June 30, 2025. This increase primarily resulted from an increase in the real estate tax levy during the year ended June 30, 2025.

- The District's most significant revenue is state sources which represent $5,033,000 or 30% of total governmental revenue. The District's state sources increased approximately 3% which was primarily related to an increase in state aid.

- During the year ended June 30, 2025, the District saw a decrease in program revenue which mostly resulted from a decrease in operating grants in the amount of $15,000, and a decrease in charges for services of $37,000. During the current year, the District had a full year under the Community Eligibility Provision (CEP) program whereby all students received free meals which were 100% reimbursed by the Federal and State government. In the prior year, the District participated in the CEP program for a partial year. This change resulted in additional meals served and resulted in an increase in Federal and State reimbursement and a decline in charges for services. This decrease in operating grants was the result of a decrease in Pandemic related grant funding, which was partially offset by an increase in state Pre-K funding.

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

Expenses

Figure A-8 presents the cost of each of the District's largest expenditure-types, which include; general support, instruction, transportation and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were $15,788,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support increased by approximately $301,000 or 12% which was primarily due to increases in salaries, including payout of accumulated sick time for retiring employees, and BOCES expenses. These increases were partially offset by a decrease in pension expenses related to actuarial updates.

- The District's instruction costs decreased by approximately $353,000 or 3% which was primarily related to an increases in salaries, health insurance costs and BOCES expenses, which was partially offset by a decrease in pension expenses related to actuarial updates.

- Debt service of the District decreased approximately $24,000 during the year ended June 30, 2025, which primarily resulted from a decrease in interest expense.

- Transportation costs of the District decreased $15,000 during the year ended June 30, 2025 primarily related to a decrease in pension expense from actuarial updates, which was partially offset by increases in salaries, health insurance costs and deprecation expense.

- The District's cost of sales (food service fund) totaled $433,000 during the current year as compared to $403,000 during the fiscal year ended June 30, 2024. This increase was related to higher food costs due to additional meals served and an increase in salaries and benefits.

- The District received approximately $1,197,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.

- Most of the Districts net costs ($14.6 million) were financed by state aid and real property taxes.

Figure A-3 – Condensed Statement of Net Position

Ellicottville Central School District
Condensed Statement of Net Position (in thousands of dollars)

	Governmental Activities and Total District-wide		
	2025	2024	% Change
Assets			
Current and other assets	$ 7,602	$ 4,420	72%
Capital assets and right-to-use assets	22,124	21,956	1%
Total assets	29,726	26,376	13%
Deferred outflows of resources			
Deferred outflows related to pensions and OPEB	2,520	2,840	-11%
Deferred outflows of resources and assets	**$ 32,246**	**$ 29,216**	**10%**
Liabilities			
Other liabilities	$ 3,733	$ 775	382%
Long-term liabilities	12,580	13,616	-8%
Total liabilities	16,313	14,391	13%
Deferred inflows of resources			
Deferred inows related to pensions and OPEB	1,077	535	101%
Deferred inflows of resources and liabilities	17,390	14,926	17%
Net position			
Net investment in capital assets and right-to-use assets	10,735	10,068	7%
Restricted	1,675	1,682	0%
Unrestricted	2,446	2,540	-4%
Total net position	14,856	14,290	4%
Total liabilities, deferred inflows of resources, and net position	**$ 32,246**	**$ 29,216**	**10%**

Figure A-4 – Changes in Net Position

Ellicottville Central School District
Changes in Net Position from Operating Results (in thousands of Dollars)

	Governmental Activities and Total District-wide		
	2025	2024	% Change
Revenue			
Program revenue			
Charges for services	$ 89	$ 126	-29%
Operating grants and contributions	1,108	1,123	-1%
General revenue			
Real property taxes	9,778	9,335	5%
Use of money & property	211	193	9%
Sale of property & comp for loss	1	1	n/a
State sources	5,033	4,904	3%
Federal sources	103	182	-43%
Miscellaneous	310	306	1%
Total revenue	16,633	16,170	3%
Expenses			
General support	2,754	2,453	12%
Instruction	11,171	11,524	-3%
Transportation	1,023	1,038	-1%
Community services	75	75	100%
Debt service - interest	332	356	-7%
Cost of sales	433	403	8%
Total expenses	15,788	15,849	0%
Change in net postion	**$ 845**	**$ 321**	

Figure A-5 – Sources of Revenue

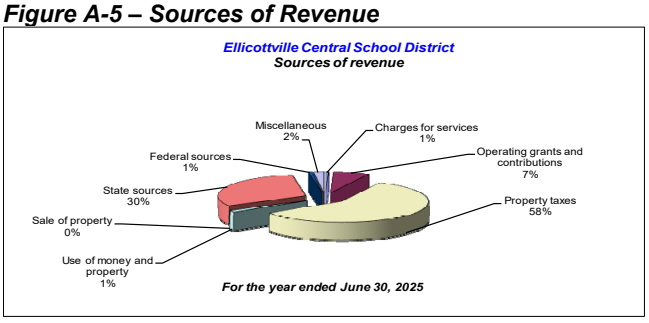


Figure A-6 - Expenses

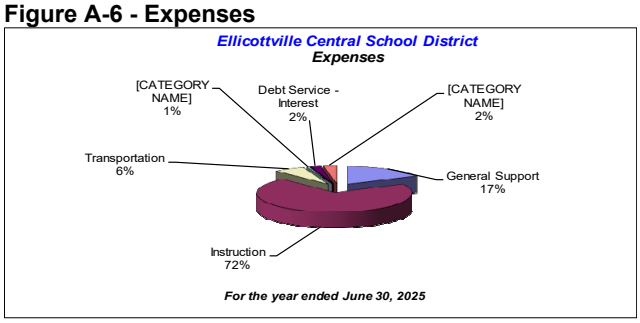


Figure A-7 – Expenditures Supported with Program Revenue

Ellicottville Central School District
Expenditures supported with program revenue (in thousands of dollars)

	Governmental Activites & Total District			
	2025		2024	
Expenditures supported with general revenue (from taxes & other sources)	$ 14,591	92%	$ 14,600	92%
Expenditures supported with program revenue	1,197	8%	1,249	8%
Total expenditures related to governmental activities	**$ 15,788**	**100%**	**$ 15,849**	**100%**

Figure A-8 – Net Cost of Governmental Activities

Ellicottville Central School District
Net Cost of Governmental Activities (in thousands of dollars)

	Total cost of services			Net cost of services		
	2025	2024	Change	2025	2024	Change
General support	$ 2,754	$ 2,453	$ 301	$ 2,754	$ 2,453	$ 301
Instruction	11,171	11,524	(353)	10,427	10,693	(266)
Transportation	1,023	1,038	(15)	1,023	1,038	(15)
Community Services	75	75	-	75	75	-
Debt service - interest	332	356	(24)	332	356	(24)
Cost of sales - food	433	403	30	(20)	(15)	(5)
Total	**$ 15,788**	**$ 15,849**	**$ (61)**	**$ 14,591**	**$ 14,600**	**$ (9)**

V. Financial Analysis of the School District's Funds

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term Debt liabilities for the funds' projects and capital assets purchased by the funds.

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

Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund expenditures and other uses exceeded revenue and other sources by approximately $26,000.
- The District's general fund unassigned fund balance equated to approximately $1,173,000 as of June 30, 2025.
- The District established many fund balance reserves during the year ended June 30, 2025, and had a total restricted fund balance approximated $1,171,000.
- The District's total assets decreased approximately $50,000 as of June 30, 2025 primarily as a result of a decrease in due from other funds, which was partially offset by an increase in due from other governments. The District's liabilities decreased approximately $24,000, as a result of a decrease in accounts payable.
- Total revenue in the District's general fund increased $396,000, which was primarily related to increases in property taxes and state aid. Total expenditures in the District's general fund increased $557,000 primarily as a result of increases in salaries, health insurance costs and BOCES expenditures.

Food Service Fund

- The District's food service fund experienced a $22,000 increase in fund equity during the current fiscal year.
- Revenue in the District's food service fund was $455,000 during 2025 as compared with $419,000 in 2024. This increase was primarily related to an increase Federal and State reimbursement of meals. Expenditures increased by $30,000 compared to the prior year resulting from an increase in salaries and benefits and higher food costs. During the current year, the District participated in the Community Eligibility Provision (CEP) program the entire year, whereas in the prior year participation was for a partial year. The District experienced additional meals served which resulted in an increase in revenue and expenditures.

Special Aid Fund

- The District's special aid fund revenue and expenditures decreased approximately $92,000 or 12% which was primarily related to a decrease in the District's Pandemic related grants, partially offset by an increase in Pre-K state funding.

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

Capital Projects Fund

- The District had expenditures in the amount of $779,000 in capital projects during the year ended June 30, 2025, which was primarily related construction costs associated with the District's $4.5 million capital improvement project and capital outlay project.

Miscellaneous Special Revenue

- The District had revenues and expenditures in the amount of $151,000 and $129,000, respectively, in the miscellaneous special revenue fund during the year ended June 30, 2025, which was related to extraclassroom activities and scholarships.

VI. General Fund Budgetary Highlights

Over the course of the year, the District makes many budget transfers, which is the common method utilized to manage the budget throughout the year. Actual expenditures were approximately $450,000 below the revised budget. The most significant positive variances were in the area of instruction, which totaled $591,000, below that budgeted. On the other hand, resources available for appropriations were approximately $151,000 above the final budgeted amount. Significant variances of revenue items consisted of local sources which were $161,000, above that budgeted.

Figure A-9 – Budget vs. Actual Comparison

Ellicottville Central School District
General Fund - Budget vs Actual Comparison (in thousands of dollars)

	Revised Budget	Actual	Difference	%
Revenue				
Local sources	$ 10,027	$ 10,188	$ 161	2%
State sources	5,046	5,033	(13)	0%
Federal sources	100	103	3	3%
Other sources	346	346	-	0%
Total revenue	**$ 15,519**	**$ 15,670**	**$ 151**	**1%**
Expenditures				
General support	$ 2,235	$ 2,304	$ (69)	-3%
Instruction	8,185	7,594	591	7%
Transportation	851	817	34	4%
Community services	75	75	-	0%
Employee benefits	2,941	2,947	(6)	0%
Debt service	1,857	1,857	-	0%
Operating transfers	-	100	(100)	n/a
Total expenditures	**$ 16,144**	**$ 15,694**	**$ 450**	**3%**

VII. Capital Assets and Debt Administration

Capital Assets and Right-to-Use Assets

As depicted in Figure A-10, as of June 30, 2025, the District had invested approximately $22,124,000 in a broad range of capital assets, including reconstruction projects, transportation vehicles, computer equipment, and other equipment, along with right-to-use assets. Capital additions made during the year ended June 30, 2025, totaled approximately $1,121,000 and consisted primarily of the costs associated with the District's $4.5 million capital improvement project, a capital outlay project and right-to-use assets, including buses and technology. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Long-term Debt

As depicted in Figure A-11, as of June 30, 2025, the District had approximately $12,580,000 in bonds, leases, other post-employment benefits, net pension liability and compensated absences, a decrease of approximately $1,036,000 as compared with the previous year. The decrease in bonds payable was the result of regularly scheduled principal payments. The TRS net pension liability decreased as of June 30, 2025, as a result of actuarial updates. TRS was reported as a net pension asset in the current year, while ERS net pension liability increased. Also, the District had an increase in other post-employment benefits as a result of an actuarial update.

Figure A-10 – Capital Assets

Ellicottville Central School District
Capital and Right-to-Use Assets (net of depreciation/amortization)

	Governmental Activities & Total District-wide		
	2025	2024	Change
Land	$ 5,151	$ 5,151	0%
Buildings	31,745,588	31,645,590	0%
Construction in progress	627,846	-	n/a
Equipment	3,402,772	3,290,467	3%
Accumulated depreciation/amortization	(13,657,649)	(12,985,277)	5%
Total capital and right-to-use assets , net	**$ 22,123,708**	**$ 21,955,931**	**1%**

Figure A-11 – Outstanding Long-term Debt

Ellicottville Central School District
Outstanding Long-Term Debt and Liabilities

	Governmental Activities & Total District-wide		
	2025	2024	Change
Bonds payable	$ 10,050,000	$ 11,255,000	-11%
Lease payable	710,654	683,673	4%
Net pension liability - TRS	-	312,715	-100%
Net pension liability - ERS	698,187	544,210	28%
Other post-employment benefits	393,081	369,437	6%
Compensated absences	728,078	450,907	61%
Total Long-Term Debt	**$ 12,580,000**	**$ 13,615,942**	**-8%**

VIII. Factors Bearing on the District's Future

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

- The District remains uncertain as to the level of Federal and State funding in the upcoming years.

- The Rockefeller Institute conducted a study to assess the State's Foundation Aid educational funding formula which was published in December 2024. Although, minimal adjustments to the foundation aid formula were made to 2025-26 aid, any modifications to the formula in the future could have an impact on future state aid that is distributed to the District.

IX. Contacting the District's Financial Management

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

Ellicottville Central School District
Attention: Ms. Aimee Kilby
Business Manager
5873 Route 219
Ellicottville, New York 14731

	2025	2024
Assets		
Cash and Short-Term Investments		
Unrestricted	$ 2,108,411	$ 2,047,428
Restricted cash and short-term investments	1,674,878	1,681,556
Receivables		
State and federal aid	565,465	634,437
Other receivables	2,776	1,710
Due from other governments	102,771	160
Inventories	4,931	3,224
Net pension asset - NYS Teachers' Retirement System	816,471	-
Cash to be used towards capital project	2,326,133	51,121
Other assets	103	103
Capital assets and right-to-use assets, net	22,123,708	21,955,931
Total assets	29,725,647	26,375,670
Deferred Outflows of Resources		
Deferred outflows related to OPEB	149,206	163,269
Deferred outflows related to pensions	2,370,954	2,677,138
Total assets and deferred outflows of resources	$ 32,245,807	$ 29,216,077
Liabilities		
Current liabilities		
Accounts payable	$ 371,017	$ 65,507
Accrued liabilities	119,911	88,235
Accrued interest	12,000	13,000
Due to other governments	3,980	4,523
Due to retirement systems	625,762	603,660
Bond anticipation notes payable	2,600,000	-
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	1,230,000	1,205,000
Lease payable	237,502	245,346
Compensated absences	78,413	170,304
Portion due or payable after one year		
Bonds payable	8,820,000	10,050,000
Lease payable	473,152	438,327
Net pension liability - NYS Teachers' Retirement System	-	312,715
Net pension liability - NYS Employees' Retirement System	698,187	544,210
Other post-employment benefits	393,081	369,437
Compensated absences	649,665	280,603
Total liabilities	16,312,670	14,390,867
Deferred Inflows of Resources		
Deferred inflows related to pensions	1,054,319	505,584
Deferred inflows related to OPEB	22,350	29,548
Total liabilities and deferred inflows of resources	17,389,339	14,925,999
Net Position		
Net investment in capital assets and right-to-use assets	10,735,208	10,068,379
Restricted	1,674,878	1,681,556
Unrestricted	2,446,382	2,540,143
Total net position	14,856,468	14,290,078
Total liabilities, deferred inflows of resources and net position	$ 32,245,807	$ 29,216,077

	Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants	2025 Net (Expense) Revenue and Changes in Net Position	2024 Net (Expense) Revenue and Changes in Net Position
Functions/Programs						
General support	$ 2,630,027	$ 124,303	$ -	$ -	$ (2,754,330)	$ (2,452,642)
Instruction	10,621,787	548,476	56,155	687,706	(10,426,402)	(10,693,337)
Pupil transportation	742,220	280,789	-	-	(1,023,009)	(1,037,825)
Community services	75,000	-	-	-	(75,000)	(75,000)
Debt service	332,326	-	-	-	(332,326)	(356,430)
Food service program	433,257	-	33,156	420,480	20,379	15,167
Depreciation/amortization	953,568	(953,568)	-	-	-	-
Total functions and programs	$ 15,788,185	$ -	$ 89,311	$ 1,108,186	(14,590,688)	(14,600,067)
General Revenues						
Real property taxes					9,777,547	9,334,679
Use of money and property					210,617	192,553
Sale of equipment and compensation for loss					585	332
Miscellaneous					311,377	306,472
State sources					5,032,861	4,904,249
Federal sources					103,146	182,361
Total general revenues					15,436,133	14,920,646
Change in net position					845,445	320,579
Net position - beginning of year					14,290,078	13,969,499
Prior period adjustment					(279,055)	-
Net position - end of year					$ 14,856,468	$ 14,290,078

	Governmental Funds							
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellanous Special Revenue	*2025* (Memo only) Total	*2024* (Memo only) Total
Assets								
Unrestricted cash	$ 1,647,844	$ 7,929	$ 331,133	$ -	$ -	$ -	$ 1,986,906	$ 1,991,500
Restricted cash and short-term investments	1,170,840	-	-	436,716	2,326,133	188,827	4,122,516	1,788,605
Due from other funds	476,133	-	-	309	-	-	476,442	652,999
State and federal aid receivable	255,836	256,457	53,172	-	-	-	565,465	634,437
Other receivables	2,495	-	281	-	-	-	2,776	1,710
Due from other governments	102,771	-	-	-	-	-	102,771	160
Inventories	-	-	4,931	-	-	-	4,931	3,224
Other assets	103	-	-	-	-	-	103	103
Total assets	$ 3,656,022	$ 264,386	$ 389,517	$ 437,025	$ 2,326,133	$ 188,827	$ 7,261,910	$ 5,072,738
Liabilities and Fund Equity								
Liabilities								
Accounts payable	$ 16,099	$ 1,284	$ 70	$ -	$ 353,564	$ -	$ 371,017	$ 65,507
Accrued liabilities	114,773	757	4,381	-	-	-	119,911	88,235
Bond anticipation notes payable	-	-	-	-	2,600,000	-	2,600,000	-
Due to other funds	-	262,345	207,237	6,445	415	-	476,442	652,999
Due to other governments	-	-	3,980	-	-	-	3,980	4,523
Due to Teachers' Retirement System	560,641	-	-	-	-	-	560,641	543,393
Due to Employees' Retirement System	65,121	-	-	-	-	-	65,121	60,267
Total liabilities	756,634	264,386	215,668	6,445	2,953,979	-	4,197,112	1,414,924
Fund Equity								
Nonspendable	-	-	4,931	-	-	-	4,931	3,224
Restricted	1,170,840	-	-	430,580	-	73,458	1,674,878	1,681,556
Committed	-	-	-	-	-	115,369	115,369	100,646
Assigned	555,000	-	168,918	-	-	-	723,918	825,045
Unassigned (deficit)	1,173,548	-	-	-	(627,846)	-	545,702	1,047,343
Total fund equity (deficit)	2,899,388	-	173,849	430,580	(627,846)	188,827	3,064,798	3,657,814
Total liabilities and fund equity	$ 3,656,022	$ 264,386	$ 389,517	$ 437,025	$ 2,326,133	$ 188,827	$ 7,261,910	$ 5,072,738

	Governmental Funds							
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	2025 (Memo only) Total	2024 (Memo only) Total
Revenue								
Real property taxes	$ 9,777,547	$ -	$ -	$ -	$ -	$ -	$ 9,777,547	$ 9,334,679
Charges for services	56,155	-	-	-	-	-	56,155	50,993
Use of money and property	191,471	-	1,619	9,821	-	7,706	210,617	192,553
Sale of property compensation for loss	585	-	-	-	-	-	585	332
Miscellaneous	161,456	-	1,121	6,676	-	143,245	312,498	306,813
State sources	5,032,861	340,151	161,351	-	-	-	5,534,363	5,124,536
Federal sources	103,146	347,555	228,963	-	-	-	679,664	1,056,489
Surplus food	-	-	30,166	-	-	-	30,166	28,516
Sales (school food service)	-	-	32,035	-	-	-	32,035	74,398
Total revenue	15,323,221	687,706	455,255	16,497	-	150,951	16,633,630	16,169,309
Expenditures								
General support	2,304,296	-	163,679	-	-	-	2,467,975	2,177,669
Instruction	7,593,697	687,706	-	-	-	128,723	8,410,126	8,365,489
Pupil transportation	817,464	-	-	-	-	-	817,464	896,234
Community services	75,000	-	-	-	-	-	75,000	75,000
Employee benefits	2,947,314	-	63,345	-	-	-	3,010,659	2,845,463
Debt service								
Principal	1,523,547	-	-	-	-	-	1,523,547	1,400,915
Interest	333,326	-	-	-	-	-	333,326	357,430
Capital outlay	-	-	-	-	727,844	-	727,844	129,895
Cost of sales	-	-	198,243	-	-	-	198,243	189,998
Other expenses	-	-	7,990	-	-	-	7,990	13,945
Total expenditures	15,594,644	687,706	433,257	-	727,844	128,723	17,572,174	16,452,038
Excess (deficiency) of revenue over expenditures	(271,423)	-	21,998	16,497	(727,844)	22,228	(938,544)	(282,729)
Other sources and uses								
Proceeds from the issuance of leases	345,528	-	-	-	-	-	345,528	400,132
Operating transfers in	-	-	-	51,121	99,998	-	151,119	86,676
Operating transfers out	(99,998)	-	-	-	(51,121)	-	(151,119)	(86,676)
Total other sources (uses)	245,530	-	-	51,121	48,877	-	345,528	400,132
Excess (deficiency) of revenue and other sources over expenditures and other uses	(25,893)	-	21,998	67,618	(678,967)	22,228	(593,016)	117,403
Fund equity, beginning of year	2,925,281	-	151,851	362,962	51,121	166,599	3,657,814	3,540,411
Fund equity (deficit), end of year	$ 2,899,388	$ -	$ 173,849	$ 430,580	$ (627,846)	$ 188,827	$ 3,064,798	$ 3,657,814

ELLICOTTVILLE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF JUNE 30, 2025

Total fund balances - governmental funds		$ 3,064,798
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and right-to-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets and right-to-use assets consist of the following at year-end:		
Cost of the assets	$ 35,781,357	
Accumulated depreciation/amortization	(13,657,649)	22,123,708
District's proportionate share of the net pension assets are reported on the statement of net position, whereas in the governmental funds pension costs are based on required contributions.		816,471
Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(12,000)
Net deferred outflows (inflows) of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds pension expense is based on required contributions.		1,316,635
Net deferred outflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, OPEB expense is based on requried contributions.		126,856
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:		
Bonds payable	(10,050,000)	
Lease payable	(710,654)	
Net pension liability - ERS	(698,187)	
Other post-employment benefits	(393,081)	
Compensated absences	(728,078)	(12,580,000)
Total net position - governmental activities		$ 14,856,468

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

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash and short-term investments	$ 6,109,422	$ -	$ -	$ (2,326,133)	$ 3,783,289
Due from other funds	476,442	-	-	(476,442)	-
State and federal aid receivable	565,465	-	-	-	565,465
Other receivables	2,776	-	-	-	2,776
Due from other governments	102,771	-	-	-	102,771
Inventories	4,931	-	-	-	4,931
Net pension asset - TRS	-	816,471	-	-	816,471
Capital assets and right-to-use assets, net	-	22,123,708	-	-	22,123,708
Cash to be used towards capital project	-	-	-	2,326,133	2,326,133
Other assets	103	-	-	-	103
Total assets	7,261,910	22,940,179	-	(476,442)	29,725,647
Deferred Outflows of Resources					
Deferred outflows related to pensions and OPEB	-	2,520,160	-	-	2,520,160
Total assets and deferred outflows of resources	$ 7,261,910	$ 25,460,339	$ -	$ (476,442)	$ 32,245,807
Liabilities, Deferred Inflows of Resources and Fund Equity					
Liabilities					
Accounts payable	$ 371,017	$ -	$ -	$ -	$ 371,017
Accrued liabilities	119,911	-	-	-	119,911
Accrued interest	-	-	12,000	-	12,000
Due to other funds	476,442	-	-	(476,442)	-
Due to other governments	3,980	-	-	-	3,980
Due to retirement systems	625,762	-	-	-	625,762
Bond anticipation notes payable	2,600,000	-	-	-	2,600,000
Bonds payable	-	-	10,050,000	-	10,050,000
Lease payable	-	-	710,654	-	710,654
Net pension liability - ERS	-	-	698,187	-	698,187
Other post-employment benefits	-	-	393,081	-	393,081
Compensated absences	-	-	728,078	-	728,078
Total liabilities	4,197,112	-	12,592,000	(476,442)	16,312,670
Deferred Inflows of Resources					
Deferred inflows related to pensions and OPEB	-	-	1,076,669	-	1,076,669
Total liabilities and deferred inflows of resources	4,197,112	-	13,668,669	(476,442)	17,389,339
Fund equity and net position	3,064,798	25,460,339	(13,668,669)	-	14,856,468
Total liabilities, deferred inflows of resources and fund equity/net position	$ 7,261,910	$ 25,460,339	$ -	$ (476,442)	$ 32,245,807

ELLICOTTVILLE CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Total net change in fund balances - governmental funds		$ (593,016)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. Activity for the current fiscal year ended was as follows:		
Capital outlays	$ 1,121,345	
Depreciation/amortization expense	(953,568)	167,777
Repayment of bond principal and bond anticipation notes is an expenditure the governmental funds but the repayment reduces long-term liabilities in the statement of net position.		1,523,547
Proceeds from long-term debt, including the refunding of bonds and leases, are recorded as revenue in governmental funds. However, in the statement of activities, proceeds from long-term debt as revenue. Rather, long-term debt is recorded as a liability in the statement of net position.		(345,528)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		1,000
District's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds pension expense is based on District's required contribution to pension plans.		120,290
District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds, OPEB expense is based on the District's contribution to the OPEB plan.		(30,509)
In the statement of activities, certain operating expenses - compensated absences 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:		
Compensated absences		1,884
Change in net position of governmental activities		$ 845,445

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

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	$ 9,777,547	$ -	$ -	$ -	$ 9,777,547
Charges for services	56,155	-	-	(56,155)	-
Use of money and property	210,617	-	-	-	210,617
Sale of property compensation for loss	585	-	-	-	585
Miscellaneous	312,498	-	-	(1,121)	311,377
State sources	5,534,363	-	-	(501,502)	5,032,861
Federal sources	679,664	-	-	(576,518)	103,146
Surplus food	30,166	-	-	(30,166)	-
Sales (school food service)	32,035	-	-	(32,035)	-
Total revenue	16,633,630	-	-	(1,197,497)	15,436,133
Expenditures					
General support	2,467,975	106,108	-	180,247	2,754,330
Instruction	8,410,126	424,392	(1,884)	1,593,768	10,426,402
Pupil transportation	817,464	29,567	-	175,978	1,023,009
Community services	75,000	-	-	-	75,000
Employee benefits	3,010,659	-	(89,781)	(2,920,878)	-
Debt service	1,856,873	-	(1,524,547)	-	332,326
Capital outlay	727,844	(727,844)	-	-	-
Cost of sales	198,243	-	-	(218,622)	(20,379)
Other expenses	7,990	-	-	(7,990)	-
Total expenditures	17,572,174	(167,777)	(1,616,212)	(1,197,497)	14,590,688
Excess (deficiency) of revenue over expenditures	(938,544)	167,777	1,616,212	(0)	845,445
Other sources and uses					
Proceeds from the issuance of leases	345,528	-	(345,528)	-	-
Operating transfers in	151,119	-	-	(151,119)	-
Operating transfers out	(151,119)	-	-	151,119	-
Total other sources and uses	345,528	-	(345,528)	-	-
Net change for year	$ (593,016)	$ 167,777	$ 1,270,684	$ (0)	$ 845,445

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

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

A. Reporting Entity

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

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the School District's reporting entity:

1. The Extraclassroom Activity Funds

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

B. Joint Venture

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture (continued)

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

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

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

During the year, the District was billed approximately $2,739,000 for BOCES administration and program costs. The District's share of BOCES aid, rentals and refunds amounted to approximately $680,000 for the year ended June 30, 2025. Financial statements for the Cattaraugus-Allegany BOCES are available at the BOCES administrative offices in Olean, New York.

C. Basis of Presentation

1. District-wide Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

1. District-wide Statements (continued)

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

2. Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

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

Miscellaneous Special Revenue – is used to account for and report those revenues that are restricted (scholarships) and committed (extraclassroom) to expenditures for specified purposes.

Fiduciary Fund Types – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are not included in the District-wide financial statements because their resources do not belong to the District, and are not available to be used. The District does not have any activities that qualify for reporting as a fiduciary.

D. Measurement Focus and Basis of Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

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

E. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

F. Inventory

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

G. Investments

Investments are stated at current market value.

H. Capital Assets

Capital assets are reported at actual cost and, estimated historical costs, based on an appraisal conducted by independent third-party professionals. Costs, as of September 2016, were estimated based on reverse trending techniques applied against the estimates of current replacement cost.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets (continued)

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	Straight-line	40 years
Land improvements	$ 5,000	Straight-line	25-30 years
Furniture and equipment	$ 5,000	Straight-line	5-20 years
Transportation vehicles	$ 5,000	Straight-line	8 years

I. Due To/From Other Funds

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

J. Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick, personal and vacation time. Eligibility and the accumulation of time is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated time through payment upon retirement, termination or death up at rates and subject to limits as specified in employment agreements. In the district-wide financial statements, the District recognizes a liability for compensated absences, including sick and vacation leave, when employees have earned the right to leave and it is more than likely than not that the leave will be used for time off or otherwise paid at retirement. The liability is measured at the employee's rate of pay at the reporting date, including salary related payments such as social security and Medicare taxes. The District has recorded an estimated liability in the District-wide financial statement amounting to $728,078 to recognize the cost of compensated absences.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Unearned Revenue

Unearned revenue is reported on the District's combined balance sheet. Unearned Revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

L. Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item related to OPEB reporting in the District-wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized and benefits paid subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category and is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Deferred Inflows and Outflows of Resources (continued)

contributions to the pension systems not included in pension expense. The second item relates to OPEB reporting in the District- wide Statement of Net Position. This represents the actuarial differences that are deferred and amortized.

M. Post-Employment Benefits

In addition to the retirement benefits described in Note 3V, the District provides post-employment health insurance coverage to certain retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. The District recognizes the net cost of providing health insurance in the governmental funds when paid. The Statement of Net position reports the computed District liability at year-end and the Statement of Activities reports the net increase or decrease in the liability as expense.

N. Fund Equity

1. Governmental Funds

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

A. Nonspendable

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

1. Inventory Reserve

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted

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

1. Unemployment Reserve

This reserve is used to accumulate funds to pay the cost of reimbursement to the New York State Unemployment Insurance Fund for payments made to claimants. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may be either transferred to another reserve or the excess applied to the appropriations next fiscal year's budget. If the District elects to convert to tax basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is recorded in the General Fund.

2. Reserve for Retirement System Credits

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

3. Reserve for Employee Benefits

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

4. Debt Service Reserve

This reserve is used for the purpose of retiring the outstanding obligation upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

4. Debt Service Reserve (continued)

time of sale. Interest and earnings on outstanding obligations and remaining bond proceeds not utilized for the intended purpose are recorded in the Reserve for Debt Service. These monies must be used to pay the debt service of the obligations from which they originated. This reserve is accounted for in the Debt Service Fund.

5. Teachers' Retirement System Contribution Reserve Subfund

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

6. Capital Reserve

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

7. Transportation Reserve

This reserve represents funds allocated for future purchases of vehicles.

8. Endowment Scholarship Reserve

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

9. Workers Compensation Reserve

This reserve is used to accumulate funds for the purpose of paying for compensation benefits and other expenditures under Article 2 of the NYS Workers' Compensation Law and for payment of expenditures of administering this self-insurance program. This reserve is account for in the General Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

10. Reserve for Repairs

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

11. Reserve for Insurance

This reserve is used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law. The reserve may be established by board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. This reserve is accounted for in the General Fund.

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the outstanding balance of the extraclassroom activities in the amount of $115,369 as committed fund balance as of June 30, 2025.

D. Assigned

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

D. Assigned (continued)

1. Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund. If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. If resources have not already been restricted or committed, amounts encumbered are considered assigned for the purpose of the expected expenditure. Reserve for encumbrances as of June 30, 2025 totaled $-.

2. Appropriated Fund Equity

General Fund - The amount of $555,000 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2026 as allowed by Section 1318 of the Real Property Tax Law.

E. Unassigned

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

2. Government-wide Financial Statements

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

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

B. Restricted

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

C. Unrestricted

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

3. Order of Fund Balance Spending Policy

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

a. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;

b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;

c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);

d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;

e. Unassigned fund balance.

O. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.

b) The proposed appropriations budget is approved by the voters within the District.

c) Appropriations are adopted at program level.

d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the fiscal year ended June 30, 2025, the District had supplemental appropriations related to bus lease payments in the amount of $60,000, issuance of new bus lease and technology related equipment lease in the amounts of $251,222 and $94,306, respectively, and transfer to the public library in the amount of $75,000.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Budgetary Procedures and Budgetary Accounting (continued)

2. Budget Basis for Accounting

Budgets are adopted annually on a basis consistent with the fund financial statements and the modified accrual basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

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

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

P. Property Taxes

1. Calendar

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

2. Enforcement

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

Q. Interfund Transfers

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

R. Estimates

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

S. Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. New Accounting Standard

Effective for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which provides clarity surrounding the recognition and measurement of compensated absences. Implementing the new standard resulted in a prior period adjustment as described in Note 7.

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

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

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

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

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

1. Long-term Revenue Differences

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

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

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

2. Capital Related Differences

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

3. Long-term Debt Transaction Differences

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

4. Pension Differences

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

5. OPEB Differences

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS

I. Cash and investments

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash and investments (continued)

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and School Districts.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. While the District does not have a specific policy with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2025, the District's bank deposits were fully collateralized.

A. Deposits

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

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

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

(3) Uncollateralized

Total financial institution (bank) balances at June 30, 2025 per the bank were approximately $6,202,000. Deposits are categorized as follows:

Category 1	Category 2	Category 3	Carrying Value
$770,000	$5,432,000	$ -	$6,202,000

B. Investments

Investments are stated at current market value and are categorized as either:

(1) Insured or registered, or investments are held by the School District or by the School District's agent in the School District's name,

(2) Uninsured and unregistered, with the investments held by the financial institutions trust department in the District's name,

(3) Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the School District's name

CDs	Interest Rates	Maturity Date	Market Value
Five Star Bank – Unemployment	4.0%	7/15/25	$ 64,765
Five Star Bank – Repair Reserve	3.75%	6/03/26	130,692
			$ 195,467

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash and investments (continued)

B. Investments (continued)

These investments are held in the School District's name. As of June 30, 2025, the cost of the District's investments approximated market value. The market value of the investments as of June 30, 2025 is based on unadjusted quoted prices in active markets for identical assets and liabilities.

II. Interfund Transactions

Interfund balances and transactions as of and during the year ended June 30, 2025 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	$ 476,133	$ -
Food Service Fund	-	207,237
Special Aid Fund	-	262,345
Debt Service Fund	309	6,445
Capital Fund	-	415
Total	$ 476,442	$ 476,442

	Interfund Revenue	Interfund Expenditures
Special Aid Fund	$ -	$ -
Debt Service Fund	51,121	-
Capital Projects Fund	99,998	51,121
General Fund	-	99,998
Total	$ 151,119	$ 151,119

During the year ended June 30, 2025, the District transferred $99,998 from the general fund to the capital projects fund to related to the capital outlay project. The District also closed out its $8.5 million project and transferred remaining funds in the amount of $51,121 from the capital project fund to the debt service fund.

III. Receivables

Receivables at June 30, 2025 consisted of the following and management has deemed the amounts to be fully collectible.

Fund	Description	Amount
Special Aid	State and Federal Aid	$ 256,457
Food Service	State and Federal Aid	53,172
Food Service	Other Receivables	281
General	State and Federal Aid	255,836
General	Due from Other Governments	102,771
General	Other Receivables	2,495
Capital	State and Federal Aid	-
		$ 671,012

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

IV. Capital Assets and Right-to-Use Assets

A. Capital Assets

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

	Beginning Balance 06/30/24	Net change	Ending Balance 06/30/25
Governmental activities:			
Capital assets that are not depreciated:			
Land	$ 5,151	$ -	$ 5,151
Construction-in-progress	-	627,846	627,846
Capital assets that are depreciated:			
Buildings and improvements	31,645,590	99,998	31,745,588
Furniture and equipment	1,789,305	32,445	1,821,750
Total depreciable historical cost	33,434,895	132,443	33,567,338
Less accumulated depreciation:			
Buildings and improvements	10,847,959	570,866	11,418,825
Furniture and equipment	1,367,927	65,502	1,433,429
Total accumulated depreciation	12,215,886	$ 636,368	12,852,254
Total net book value	$21,224,160		$21,348,081

Depreciation/amortization expense was charged to governmental functions during the current year as follows:

General support	$ 124,303
Instruction	548,476
Pupil transportation	280,789
	$ 953,568

B. Right-to-Use Assets

The District reported right-to-use assets net of amortization as of June 30, 2025 and 2024 in the amount of $775,627 and $731,771, respectively. More information related to the right-to-use assets is disclosed in Note 6.

C. Additions

The District had additions in the amount of $1,121,345 related to the 2019 capital improvements project, a capital outlay project, and right-to-use technology equipment and buses.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities

A. Pension Plans

1. General Information

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

2. Plan Descriptions and Benefits Provided

a. Teachers' Retirement System (TRS)

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

V. Liabilities (continued)

A. Pension Plans (continued)

2. Plan Descriptions and Benefits Provided (continued)

b. Employees' Retirement System (ERS)

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

3. Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

3. Contributions (continued)

the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the NYS Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

Year	TRS	ERS
2025	$ 523,000	$ 241,000
2024	510,000	181,000
2023	534,000	155,000

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105. Since 1989, the TRS' billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to make payments on a current basis.

Over the years, State Legislature authorized local governments to make available retirement incentive programs to qualifying employees. The District had no expenditures incurred or liability accrued related to the retirement incentive liabilities as of and for the year ended June 30, 2025.

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

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

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

	ERS	TRS
Actuarial measurement date	3/31/2025	6/30/2024
Net pension asset/(liability)	$ (698,187)	$ 816,471
District's portion of the Plan's total net pension asset/(liability)	.0040721%	.027365%

For the year ended June 30, 2025, the District recognized pension expense of $191,360 for ERS and $458,298 for TRS. At June 30, 2025 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability/asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, along with contributions subsequent to the measurement date, will be recognized in pension expense as follows:

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

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

Year ending:	ERS	TRS
2026	$ 154,182	$ (415,804)
2027	198,878	1,002,748
2028	(39,663)	(163,138)
2029	25,104	(183,842)
2030	-	108,988
Thereafter	-	40,961

5. Actuarial Assumptions

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

	ERS	TRS
Measurement date	3/31/2025	6/30/2024
Actuarial valuation date	4/1/2024	6/30/2023
Interest rate	5.9%	6.95%
Salary scale	4.3% average	1.95% - 5.18%
Decrement tables	4/1/15 – 3/31/20 System's Experience	7/1/15 – 6/30/20 System's Experience
Inflation rate	2.9%	2.4%

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 173,295	$ 879,190	$ 8,174	$ -
Changes of assumptions	29,281	488,415	-	82,156
Net difference between projected and actual earnings on pension plan investments	54,778	-	-	907,169
Changes in proportion and differences between the Districts contributions and proportionate share of contributions	118,035	39,740	28,713	28,107
District's contributions subsequent to the measurement date	65,121	523,099	-	-
Total	$ 440,510	$ 1,930,444	$ 36,887	$ 1,017,432

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

5. Actuarial Assumptions (continued)

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

For ERS, the actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	ERS 3/31/25	Expected Rate of Return	TRS 6/30/24	Expected Rate of Return
Asset Type:				
Domestic equity	25%	3.54%	33%	6.60%
International equity	14%	6.57%	15%	7.40%
Global equity	-%	-%	4%	6.90%
Private equity	15%	7.25%	9%	10.00%
Real Estate	12%	4.95%	11%	6.30%
Opportunistic/ARS portfolio	3%	5.25%	-%	-%
Credit	4%	5.40%	-%	-%
Real assets	4%	5.55%	-%	-%
Domestic fixed income securities	-%	-%	16%	2.60%
Global fixed income securities	-%	-%	2%	2.50%
Real estate debt	-%	-%	6%	3.90%
Private debt	-%	-%	2%	5.90%
High-yield fixed income	-%	-%	1%	4.80%
Fixed Income	22%	2.00%	-%	-%
Cash	1%	.25%	1%	.50%
Total:	100%		100%	

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

A. Pension Plans (continued)

6. Discount Rate

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

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

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

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	$ (2,020,641)	$ (698,187)	$ 406,063

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	$ (3,771,329)	$ 816,471	$ 4,674,935

V. Liabilities (continued)

A. Pension Plans (continued)

8. Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands) ERS	TRS
Measurement date	3/31/2025	6/30/2024
Employers' total pension liability	$ 247,600,239	$ 142,837,826
Plan net position	$ 230,454,512	$ 145,821,435
Employers' net pension asset/(liability)	$ (17,145,727)	$ 2,983,609
Ratio of plan net position to be Employers' total pension asset/(liability)	93.08%	102.10%

9. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $65,121.

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 $560,641 (employer contribution $523,099 and employee contributions of $37,542).

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits

Plan Description

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

Employees Covered by Benefit Terms

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

Inactive employees, retirees, or beneficiaries currently receiving benefit payments	19
Active employees	112
	131

Total OPEB Liability

The District's total OPEB liability of $393,081 was measured as of July 1, 2024 for the fiscal year ending June 30, 2025.

The discount rate was based on Fidelity 20-Year Go Municipal Bond Index.

Mortality rates were based on the SOA Pub-2010 fully generational using Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2022-July 1, 2023.

Changes in the Total OPEB Liability

Service Costs	$ 18,076
Interest	15,265
Differences between expected and actual experience	28,646
Changes in assumptions	(2,172)
Benefit payments	(36,171)
Net change in total OPEB liability	23,644
Net OPEB liability – beginning of year	369,437
Net OPEB liability – end of year	$ 393,081

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation – 2.5%

Salary Increases

Years of Service	Non-Teachers	Teachers/ Administrators
0	8.80%	12.31%
10	4.18%	4.30%
20	3.30%	2.93%
30	3.30%	2.19%
40	3.30%	1.84%

Discount Rate – 4.21%

Healthcare Cost Trend Rates – 7.5% for 2025, decreasing 0.5% to 4.5% for 2028 and later.

Retirees' Share of Benefit-Related Costs – Retirees are required to pay the full premium rate.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2024 to 4.21% in 2025.

Sensitivity of the Total OPEB Liability to changes in the Discount

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (3.21%) or 1% point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
Total OPEB liability	$ 419,984	$ 393,081	$ 367,625

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Sensitivity of the Total OPEB Liability to changes in the Healthcare Trend Costs

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher that the current healthcare cost trend rates:

	1% Decrease (6.5%-3.5%)	Discount Rate (7.5%-4.5%)	1% Increase (8.5%-5.5%)
Total OPEB liability	$ 355,987	$ 393,081	$ 436,002

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

For the year ended June 30, 2025, the District recognized OPEB expense of $54,497. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 96,496	$ 14,614
Changes of assumptions or other Inputs	28,722	7,736
Benefits paid subsequent to measurement date	23,988	-
Total	$ 149,206	$ 22,350

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

Year ended:	Amount
2026	$ 19,325
2027	21,881
2028	25,795
2029	10,570
2030	11,116
Thereafter	14,181
Total	$ 102,868

V. Liabilities (continued)

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds is recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as part of the financial statements when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

On June 26, 2025, the District issued bond anticipation notes (BANs) in the amount of $2,600,000 for the capital project. The BANS carry an interest rate of 4% and mature on June 26, 2026.

There were no BANs outstanding as of June 30, 2024 and no BANs redeemed from appropriation during the years ended June 30, 2025 and 2024.

b. Short-Term Debt Interest

The District had $0 of short-term interest for the year ended June 30, 2025.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt

a. Debt Limit

At June 30, 2025, the total indebtedness represents approximately 13% of its debt limit.

b. Serial Bonds

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

c. Changes

The changes in the School District's indebtedness during the year ended June 30, 2025 and 2024 are summarized as follows:

	Balance June 30, 2025	Balance June 30, 2024
2016 Serial Bonds	$ 3,865,000	$ 4,525,000
2022 Serial Bonds	6,185,000	6,730,000
Lease payable	710,654	683,673
Other post-employment benefits	393,081	369,437
Net pension liabilities		
TRS	-	312,715
ERS	698,187	544,210
Compensated absences	728,078	450,907
	$ 12,580,000	$ 13,615,942

During the year, the District made principal payments on its serial bonds in the amount of $1,205,000. The net change in compensated absences was an increase of $277,171 during the fiscal year ended June 30, 2025. The net change in other post-employment benefits was an increase of $23,644 during the fiscal year ended June 30, 2025. The net pension liabilities for TRS decreased $312,715, while ERS increased $153,977, respectively, during the fiscal year ended June 30, 2025. TRS was reported as a net pension asset in the current year. During the current year the District entered into new leases totaling $345,528 and made payments on existing leases in the amount of $318,547.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity

1. The following is a summary of serial bonds indebtedness:

Description of Issue	Outstanding at June 30, 2025
Serial Bonds, issued in 2016 with a maturity date of 2031, bonds carry interest at 2%-2.5%.	$ 3,865,000
Serial Bonds, issued in 2022 with a maturity date of 2038, bonds carry interest at 3%-3.5%.	6,185,000
	$ 10,050,000

2. The following is a summary of maturing debt service requirements for serial bonds:

2016 Serial Bonds

Year	Principal payments	Interest payments
2026	$ 680,000	$ 85,825
2027	645,000	72,225
2028	660,000	59,325
2029	680,000	45,300
2030	705,000	30,000
2031	495,000	12,375
Total	$ 3,865,000	$ 305,050

2022 Serial Bonds

Year	Principal payments	Interest payments
2026	$ 550,000	$ 198,425
2027	435,000	181,925
2028	450,000	168,875
2029	460,000	155,375
2030	475,000	141,575
2031-2035	2,555,000	481,900
2036-2038	1,260,000	73,500
Total	$ 6,185,000	$ 1,401,575

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

V. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

e. Long-Term Debt Interest

Interest expenditures for long-term debt are recognized on a cash basis, when amounts become due and payable. The District recognized $333,326 of expenditures for long-term debt interest, including interest on leases, in the governmental fund financial statements during the fiscal year ended June 30, 2025.

D. Bus Leases

The District has entered into various bus leases. Each lease is structured over five years where the District has the option of making the final payment to buy the rights to the bus. The District has never exercised the option of purchasing a bus at the end of its lease term. Rather, the District turns the bus back in to the leasing company prior to the end of the term. The interest rates on the leases range from approximately 3%-5% The following is a schedule of future lease payments under various bus lease arrangements.

Year Ending	Principal payments	Interest payments
2026	$ 179,359	$ 32,541
2027	148,816	24,666
2028	117,109	14,773
2029	101,661	8,271
Total	$ 546,945	$ 80,251

E. Right-to-Use Leases

The District has entered into various agreements for technology equipment with Erie 1 BOCES. The equipment is leased over 60 months and carry interest rates between approximately 2%-5%. The following is a schedule of future lease payments under various lease arrangements.

Year Ending	Principal payments	Interest payments
2026	$ 58,143	$ 5,505
2027	47,101	3,422
2028	37,144	1,628
2029	20,276	457
2030	1,045	7
Total	$ 163,709	$ 11,019

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Fund Equity

A. District-wide Net Position

Net position of the District includes restricted net position of $1,674,878 which represents restricted amounts in the general, debt service, and miscellaneous special revenue funds as presented above.

B. Fund Equity

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

Category/Fund	Description	Balance June 30, 2025
Nonspendable:		
Food Service	Inventory	$ 4,931
Restricted:		
General	Reserve for employee benefits	$ 170,214
	Employee retirement reserve	171,052
	Unemployment insurance reserve	64,662
	Transportation reserve	116,398
	Workers' Comp reserve	32,248
	TRS reserve	211,495
	Capital Reserve	274,079
	Reserve for repairs	130,692
		$ 1,170,840
Miscellaneous Special Revenue	Scholarships	$ 73,458
Debt Service	Reserve for debt service	$ 430,580
Committed:		
Miscellaneous Special Revenue	Extraclassroom	$ 115,369
Assigned:		
General	Reserve for encumbrances	$ -
	Appropriated fund balance	555,000
		$ 555,000
Food Service	Fund equity	$ 168,918

C. Deficit Fund Balance

The District's capital project fund had an accumulated deficit in the amount of $627,846 as of June 30, 2025. It is not uncommon for school districts to have deficit fund balances in the capital projects fund as a result of short-term debt being recorded as liabilities until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

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

2. Risk Sharing Pools

For its employee health and accident coverage, ***Ellicottville Central School District*** is a participant in the Cattaraugus-Allegany Regional Medical Plan, a public entity risk pool operated for the benefit of 23 individual governmental units located within Allegany and Cattaraugus Counties. The School District pays monthly premiums to the Plan for this health coverage.

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

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

B. Federal and State Grants

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Commitments and Contingencies (continued)

C. Contingencies

The District, in the normal course of its operations, is involved in various litigation, arbitration cases and tax appeals. Management is of the opinion that any unfavorable outcome resulting from these actions would not have a material effect on the District's financial position.

VIII. Tax Abatements

The Cattaraugus County Industrial Development Agency entered into a property tax abatement program (Payment in Lieu of Taxes – PILOT) with various corporations in the Ellicottville Central School District's tax jurisdiction for the purpose of economic development. The terms and amounts of tax abated in the current year are as follow:

Corporation	Tax abated during the year ended June 30, 2025
Corporation A	$ 3,170
Corporation B	815
Corporation C	10,312
Corporation D	3,009
	$ 17,306

NOTE 4 - CAPITAL PROJECTS

In December 2024, voters of the ***Ellicottville Central School District*** voted to approve a capital improvement project at a maximum cost of $4,500,000 for the reconstruction and renovation of various District buildings and facilities. Total expenses incurred toward the project amounted to $627,846 during the year ended June 30, 2025. In May 2025, voters of the ***Ellicottville Central School District*** voted to approve a capital improvement project at a maximum cost of $2,375,000 for the reconstruction and renovation of various District buildings and facilities. The District did not incur any expenses towards the project during the year ended June 30, 2025.

During the current year, the District closed out its $8.4 million capital project and transferred remaining funds in the amount of $51,121 to the debt service fund and had a capital outlay project in the amount of $99,998.

NOTE 5 – COVID 19 PANDEMIC

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions. The District also provided free breakfast and lunches to all students (except those who opted out) through the Federal Seamless Summer program.

NOTE 5 – COVID 19 PANDEMIC (continued)

In March, 2021, the American Rescue Plan (ARP) was passed which provided further assistance to school districts. The New York State Department of Education has allocated approximately $674,000 of ARP Assistance to the District. The District had expenditures related to the grant in the amount of $16,299, $275,302, $246,131, $136,580 and $0 during the years ended June 30, 2025, 2024, 2023, 2022 and 2021, respectively.

NOTE 6 – RIGHT-TO-USE ASSETS/LEASES

The District has entered into various agreements with Erie 1 BOCES to acquire IT and computer equipment. The equipment is owned by Erie 1 BOCES, however the District has recognized a right-to-use asset in accordance with Governmental Accounting Standards Board Statement No. 87, Leases. To acquire the equipment and buses, the District issues installment purchase agreements (leases) and through one-time cash payment. The District amortizes its right-to-use assets over a period of 5 years. Below is a summary of the activity of the District's right-to-use assets during the year ended June 30, 2025:

	Balance 7/1/2024	Additions
Right-to-use asset	$ 1,501,162	$ 361,056
Accumulated amortization	(769,391)	(317,200)
Right-to-use (lease)	(683,673)	(345,528)
	$ 48,098	$ (301,672)

	Deletions	Balance 6/30/2025
Right-to-use asset	$ (281,196)	$ 1,581,022
Accumulated amortization	281,196	(805,395)
Right-to-use (lease)	318,547	(710,654)
	$ 318,547	$ 64,973

NOTE 7 – PRIOR PERIOD ADJUSTMENT

During the current year, the District recorded a prior period adjustment in the district-wide financial statements in the amount of $279,055. The adjustment was related to adopting GASB 101, Compensated Absences, resulting in a restatement of beginning net position.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 23, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ELLICOTTVILLE CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items*	$ 9,608,809	$ 9,743,809	$ 9,777,547	$ 33,738
Real property tax items				-
Charges for services	51,000	51,000	56,155	5,155
Use of money and property	94,500	94,500	191,471	96,971
Sale of property and compensation for loss	3,000	3,000	585	(2,415)
Miscellaneous	135,000	135,000	161,456	26,456
State Sources:				
Basic formula	4,502,785	4,502,785	4,528,850	26,065
BOCES	505,262	505,262	444,078	(61,184)
Textbooks	26,271	26,271	17,976	(8,295)
All other aid	11,825	11,825	41,957	30,132
Federal Sources:				
Medicaid reimbursement	100,000	100,000	103,146	3,146
Total revenue	15,038,452	15,173,452	15,323,221	149,769
Other Sources				
Proceeds from issuance of leases	-	345,528	345,528	-
Total revenue	15,038,452	15,518,980	$ 15,668,749	$ 149,769
Appropriated fund equity, and carryover encumbrances	625,000	625,297		
Total revenue, and appropriated fund equity	$ 15,663,452	$ 16,144,277		

* Change of $135,000 represents separate proposition approved by voters for bus lease payments ($60,000) and library tax ($75,000).

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	$ 34,125	$ 37,125	$ 27,751	$ -	$ 9,374
Central administration	224,349	241,459	315,965	-	(74,506)
Finance	216,701	298,201	235,322	-	62,879
Staff	305,821	305,821	330,697	-	(24,876)
Central services	1,089,056	1,104,056	1,159,954	-	(55,898)
Special items	248,314	248,314	234,607	-	13,707
Instructional:					
Instruction, administration and improvement	641,251	639,201	627,093	-	12,108
Teaching - regular school	4,325,631	4,264,181	4,193,499	-	70,682
Programs for children with handicapping conditions	1,605,428	1,596,015	1,221,717	-	374,298
Teaching - special schools	7,160	7,160	14,800	-	(7,640)
Occupational education	443,408	443,408	443,408	-	-
Instructional media	433,968	457,703	395,222	-	62,481
Pupil services	777,728	778,328	697,958	-	80,370
Pupil Transportation	791,373	850,620	817,464	-	33,156
Community services	-	75,000	75,000	-	-
Employee Benefits	3,000,339	2,940,812	2,947,314	-	(6,502)
Debt Service:					
Debt service principal	1,205,000	1,523,547	1,523,547	-	-
Debt service interest	313,800	333,326	333,326	-	-
Total expenditures	15,663,452	16,144,277	15,594,644	-	549,633
Other Uses:					
Transfer to other funds	-	-	99,998	-	(99,998)
Total other uses	-	-	99,998	-	(99,998)
Total expenditures and other uses	$ 15,663,452	$ 16,144,277	15,694,642	$ -	$ 449,635
Excess (deficiency) of revenue and other sources over expenditures and other uses			$ (25,893)		

	School Food Service Fund		
	Budget (Amended) *	Actual	Variance Fav. (Unf.)
Revenue			
State sources	$ -	$ 161,351	$ 161,351
Federal sources	-	228,963	228,963
Sales	-	32,035	32,035
Miscellaneous	-	1,121	1,121
Surplus food	-	30,166	30,166
Use of money and property	-	1,619	1,619
Total revenue	-	455,255	455,255
Expenditures			
General support	153,000	163,679	(10,679)
Employee benefits	54,844	63,345	(8,501)
Cost of sales	188,372	198,243	(9,871)
Other expenses	10,700	7,990	2,710
Total expenditures	406,916	433,257	(26,341)
Excess (deficiency) of revenue over expenditures	$ (406,916)	21,998	$ 428,914
Fund equity, beginning of year		151,851	
Fund equity, end of year		$ 173,849	

* Revenue budget not prepared for the 2024-25 fiscal year.

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET		
Adopted budget	$	15,663,452
Additions:		
Prior year encumbrances		297
Original Budget		15,663,749
Budget Revisions:		
Supplemental appropriation - transfer to public library		75,000
Supplemental appropriation - proceeds from issuance of bus and technology equipment leases		345,528
Supplemental appropriation - payment on new bus leases		60,000
Final budget	$	16,144,277
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
2025-26 voter-approved expenditure budget	**$**	**16,311,698**
Maximum allowed (4% of 2025-26 budget)		**652,468**
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	$	555,000
Unassigned fund balance		1,173,548
Total unrestricted fund balance		1,728,548
Less:		
Appropriated fund balance		555,000
Enumbrances included in committed and assigned fund balance		-
Total adjustments		555,000
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	**$**	**1,173,548**
Actual percentage		**7.2%**

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

Project Title	Original Appropriation	Revised Appropriation	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Transfers	Expenditures: Total	Unexpended (Overexpended) Balance	Methods of financing: Proceeds of Obligations	Methods of financing: State Sources	Methods of financing: Local Sources	Methods of financing: Total	Fund Balance June 30, 2025
Capital Improvements Project - 2019	$ 8,400,000	$ 8,400,000	$ 8,349,513	$ -	$ 51,121	$ 8,400,634	$ (634)	$ 7,765,000	$ -	$ 635,634	$ 8,400,634	$ -
Capital Improvements Project - 2024	4,530,000	4,530,000	-	627,846	-	627,846	3,902,154	2,600,000	-	-	2,600,000	1,972,154
Capital Improvements Project - 2025	2,375,000	2,375,000	-	-	-	-	2,375,000	-	-	-	-	-
Captial Outlay Project	100,000	100,000	-	99,998	-	99,998	2	-	-	99,998	99,998	-
	$ 15,405,000	$ 15,405,000	$ 8,349,513	$ 727,844	$ 51,121	$ 9,128,478	$ 6,276,522	$ 10,365,000	$ -	$ 735,632	$ 11,100,632	1,972,154
								Less: bond anticipation outstanding				(2,600,000)
								Ending fund equity as of June 30, 2025				$ (627,846)

Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school	N/A	2025	N/A	$ 90,151	$ 90,151
Universal Pre-kindergarten - supplemental	0548-25-0037	2025	$ 250,000	250,000	250,000
School breakfast programs	N/A	2025	N/A	40,777	40,777
School lunch programs	N/A	2025	N/A	120,574	120,574
			$ 251,533	$ 501,502	$ 501,502

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

Note 1 - Basis of Presentation

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

Basis of Accounting

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

Note 2 - Non-monetary Federal Program

The accompanying ***Ellicottville Central School District*** is the recipient of a non-monetary federal award program. During the year ended June 30, 2025, the District reported in the Schedule of Federal Awards $30,166 of donated commodities at fair market value received and disbursed.

Note 3 – Indirect Costs

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year. Certain grants have an indirect cost rate below 10% as approved by the grantor.

Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
US Department of Education:					
Direct Program:					
REAP Grant	84.358B	N/A	$ 41,838	$ 41,838	$ 41,838
Passed through NYS Department of Education:					
Title I	84.010A	0021-25-0220	121,659	121,659	121,659
Title II, Part A	84.367A	0147-25-0220	12,971	12,971	12,971
Title IV	84.424A	0204-25-0220	10,778	10,778	10,778
IDEA Part B, Section 611 **	84.027A	0032-25-0074	143,853	143,853	143,853
IDEA Part B, Section 619 **	84.173A	0033-25-0074	1,151	157	157
COVID - 19 - ARP - ESSER 3	84.425U	5880-21-0220	645,423	16,299	16,299
Total U.S. Department of Education			977,673	347,555	347,555
US Department of Agriculture:					
Passed through NYS Department of Education:					
National School Breakfast Program ***	10.553	N/A	N/A	56,349	56,349
National School Lunch Program ***	10.555	N/A	N/A	167,714	167,714
COVID-19 - Supply Chain Assistance ***	10.555	N/A	N/A	4,900	4,900
Passed through NYS Office of General Services:					
National School Lunch Program ***					
Noncash assistance (commodities)	10.555	N/A	N/A	30,166	30,166
Total U.S. Department of Agriculture				259,129	259,129
Total expenditures and revenue				$ 606,684	$ 606,684

** Constitutes a cluster of Federal programs named Special Education Cluster with total revenue and expenditures of $ 144,010
*** Constitutes a cluster of Federal programs named Child Nutrition Cluster with total revenue and expenditures of $ 259,129

Capital assets and right-to-use assets	$	22,123,708
Less:		
Serial bonds		(10,050,000)
Bond anticipation notes		(2,600,000)
Lease payable		(710,654)
Plus:		
BAN proceeds less capital expenditures		1,972,154
Net investment in capital assets and right-to-use assets	$	10,735,208

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2025

As of the measurement date of July 1,	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability									
Service cost	$ 18,076	$ 16,526	$ 14,460	$ 13,471	$ 11,068	$ 10,616	$ 12,199	$ 13,694	$ 11,451
Interest	15,265	14,273	6,858	8,665	7,223	7,940	7,967	6,914	7,805
Differences between expected and actual experience	28,646	8,220	48,539	(12,006)	91,476	(11,876)	(18,631)	(13,561)	-
Changes in assumptions	(2,172)	15,871	(4,590)	7,664	30,354	4,635	(8,514)	(9,413)	15,384
Benefit payments	(36,171)	(35,449)	(27,790)	(34,906)	(10,324)	(11,936)	(8,221)	(10,050)	(9,221)
Net change in total OPEB liability	23,644	19,441	37,477	(17,112)	129,797	(621)	(15,200)	(12,416)	25,419
Total OPEB liability - beginning	369,437	349,996	312,519	329,631	199,834	200,455	215,655	228,071	202,652
Total OPEB liability - ending	$ 393,081	$ 369,437	$ 349,996	$ 312,519	$ 329,631	$ 199,834	$ 200,455	$ 215,655	$ 228,071
Plan fiduciary net position									
Contributions - employer	$ 36,171	$ 35,449	$ 27,790	$ 34,906	$ 10,324	$ 11,936	$ 8,221	$ 10,050	$ 9,221
Net investment income	-	-	-	-	-	-	-	-	-
Benefit payments	(36,171)	(35,449)	(27,790)	(34,906)	(10,324)	(11,936)	(8,221)	(10,050)	(9,221)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's net OPEB liability	$ 393,081	$ 369,437	$ 349,996	$ 312,519	$ 329,631	$ 199,834	$ 200,455	$ 215,655	$ 228,071
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 6,003,704	$ 6,068,481	$ 5,920,469	$ 5,045,688	$ 4,922,622	$ 5,515,125	$ 5,380,610	$ 5,207,737	$ 5,140,905
District's net OPEB liability as a percentage of covered-employee payroll	6.5%	6.1%	5.9%	6.2%	6.7%	3.6%	3.7%	4.1%	4.4%

Notes to Schedule:

Benefit Changes: None

Changes in assumptions: Discount rate changes - 4.13% at July 1, 2023 to 4.21% at July 1, 2024

Health care trend rates changed from 8.0% to 4.5% as of July 1, 2023 to 7.5% to 4.5% as of July 1, 2024

For the year ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	$ 36,171	$ 35,449	$ 27,790	$ 34,906	$ 10,324	$ 11,936	$ 8,221	$ 10,050	$ 9,221
Contributions in relation to the actuarially determined contribution	(36,171)	(35,449)	(27,790)	(34,906)	(10,324)	(11,936)	(8,221)	(10,050)	(9,221)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 6,003,704	$ 6,068,481	$ 5,920,469	$ 5,045,688	$ 4,922,622	$ 5,515,125	$ 5,380,610	$ 5,207,737	$ 5,140,905
Contributions as a percentage of District's covered-employee payroll	0.60%	0.58%	0.47%	0.69%	0.21%	0.22%	0.15%	0.19%	0.18%

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2024.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	4.13% as of July 1, 2024
Inflation	2.5% per year
Healthcare cost trend rates	2025 - 7.5%. Rates expected to decrease each year thereafter with an ultimate rate of 4.5% after 2032.
Salary increases	Based on NYSERS and NYSTRS valuations.
Mortality	Non-Teachers employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 Teachers and Administrators employees and retirees: SOA Pub-2010 Teacher Headcount Wegithed Mortality Table fully generational using Scale MP-2021 Surviving Spouses: SOA Pub-2010 Contrinue Survivor Headcount Weighted Mortality Table full generational using Scale MP-2021
Retiree Cost Sharing	Retirees are required to pay the full premium rate
Participants	112 Active and 19 Retirees

New York State Teachers' Retirement System

For the year ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	523,099	$ 509,959	$ 533,672	$ 485,960	$ 445,584	$ 422,825	$ 496,879	$ 449,711	$ 532,733	$ 598,234
Contributions in relation to the contractually required contribution	(523,099)	(509,959)	(533,672)	(485,960)	(445,584)	(422,825)	(496,879)	(449,711)	(532,733)	(598,234)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 5,174,075	$ 5,224,990	$ 5,186,317	$ 4,958,776	$ 4,675,593	$ 4,772,291	$ 4,678,710	$ 4,588,888	$ 4,545,503	$ 4,511,569
Contributions as a percentage of District's covered-employee payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

New York State Local Employees' Retirement System

For the year ended March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 240,692	$ 181,255	$ 155,455	$ 197,981	$ 179,394	$ 180,768	$ 188,952	$ 200,079	$ 172,766	$ 196,597
Contributions in relation to the contractually required contribution	(240,692)	(181,255)	(155,455)	(197,981)	(179,394)	(180,768)	(188,952)	(200,079)	(172,766)	(196,597)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 1,560,028	$ 1,399,936	$ 1,362,679	$ 1,232,555	$ 1,246,502	$ 1,260,474	$ 1,299,635	$ 1,332,538	$ 1,198,723	$ 1,065,771
Contributions as a percentage of District's covered-employee payroll	15.43%	12.95%	11.41%	16.06%	14.39%	14.34%	14.54%	15.01%	14.41%	18.45%

SCHEDULE OF DISTRICTS PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) – NYSTRS AND PROPORTIONATE SHARE OF NET PENSION LIABILITY – NYSLERS

FOR THE YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2025

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

As of the measurement date of June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset (liability)	n/a	0.0273650%	0.0273450%	0.0279920%	0.0271790%	0.0279180%	0.0280300%	0.0281720%	0.0286840%	0.0284400%
District's proportionate share of the net pension asset (liability)	n/a	$ 816,471	$ (312,715)	$ (537,127)	$ 4,709,837	$ (771,462)	$ 728,229	$ 509,423	$ 218,029	$ (304,600)
District's covered-employee payroll	n/a	$ 5,224,990	$ 5,186,317	$ 4,958,776	$ 4,675,593	$ 4,772,291	$ 4,678,710	$ 4,588,888	$ 4,545,503	$ 4,511,569
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	n/a	15.63%	-6.03%	-10.83%	100.73%	-16.17%	15.56%	11.10%	-4.80%	-6.75%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%

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

As of the measurement date of March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset (liability)	0.0040721%	0.0036961%	0.0040855%	0.0043795%	0.0036259%	0.0037013%	0.0041596%	0.0043998%	0.0040754%	0.0039603%
District's proportionate share of the net pension asset (liability)	$ (698,187)	$ (544,210)	$ (876,086)	$ 358,004	$ (3,610)	$ (980,114)	$ (294,718)	$ (142,003)	$ (382,931)	$ (635,633)
District's covered-employee payroll	$ 1,560,028	$ 1,399,936	$ 1,362,679	$ 1,232,555	$ 1,246,502	$ 1,260,474	$ 1,299,635	$ 1,332,538	$ 1,198,723	$ 1,065,771
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	-44.75%	-38.87%	-64.29%	29.05%	-0.29%	-22.68%	-22.68%	-10.66%	-31.94%	-59.64%
Plan fiduciary net position as a percentage of the total pension asset (liability)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.7%

n/a - information is not available



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

To the President and
Members of the Board of Education
Ellicottville Central School District
Ellicottville , 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 ***Ellicottville Central School District*** as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise ***Ellicottville Central School District's*** basic financial statements and have issued our report thereon dated September 23, 2025.

Report on Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We consider the deficiency in the District's internal control described in the accompanying schedule of findings and questioned costs as item II.A.2025-001 to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ***Ellicottville Central School District's*** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2025-002.

Ellicottville Central School District's Responses to Findings

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

Purpose of this Report

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
September 23, 2025

I. SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of ***Ellicottville Central School District***.

2. One material weakness relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "*Governmental Auditing Standards*". This material weakness is described in the accompanying schedule of findings and questioned costs as item II.A. 2025-001.

3. There was one instance of noncompliance material to the financial statements of ***Ellicottville Central School District*** reported in the 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*". This instance of noncompliance is described in the accompanying schedule of findings and questioned costs as item II.B. 2025-002.

4. A single audit in accordance with the Uniform Guidance was not required during the fiscal year ended June 30, 2025, as the District's Federal expenditures were below $750,000.

II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2025-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2025

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

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

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

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

B. COMPLIANCE AND OTHER MATTERS

2025-002 Fund Balance

Year ended June 30, 2025

Conditions and criteria: ***Ellicottville Central School District*** unassigned fund balance as of June 30, 2025 amounted to $1,173,548. This amount constitutes approximately 7.2% of the 2025-2026 school budget.

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

Auditor's Recommendation: ***Ellicottville Central School District*** should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation of fund balance. In addition, we recommend that the District document its rationale to support the purpose and dollar level of reserves and to ensure it is in compliance with New York State guidelines.

School District's Response: ***Ellicottville Central School District*** realizes that its unassigned fund balance as of June 30, 2025 was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance.

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2024-001 **Adjusting Journal Entries and Required Disclosures to the Financial Statements (Material Weakness)**

Year Ended June 30, 2024

Summary of Prior Year Finding: During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related tovdue to and due from accounts and capital project funds, and converting to the full accrual method for GASB 34 purposes. In addition, the draft of the financial statements was prepared by the auditors and accepted by the District. The American Institute of Certified Public Accountants (AICPA) issued AU-C Section 265, entitled Communicating Internal Control Related Matters in an Audit. This standard considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2025 and identified as finding 2025-001.

B. COMPLIANCE AND OTHER MATTERS

2024-002 **Unassigned Fund Balance**

Year Ended June 30, 2024

Summary of Prior Year Finding: ***Ellicottville Central School District's*** unassigned fund balance amounted to 6.7% of the 2024-2025 General Fund budget. New York State Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's General Fund budget for the ensuing fiscal year.

Current Status: Similar finding related to compliance and other matters is being reported upon during the year ended June 30, 2025 and identified as finding 2025-002.

II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS

A. COMPLIANCE

Year Ended June 30, 2024

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

B. INTERNAL CONTROL OVER COMPLIANCE

Year Ended June 30, 2024

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

B·W·B

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

To the President and Members of the
Board of Education and School Administration
Ellicottville Central School District
Ellicottville , New York

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2025 of the District's financial statements and have issued our reports thereon dated September 23, 2025. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards*.

In planning and performing our audit of the financial statements of the ***Ellicottville Central School District*** for the year ended June 30, 2025, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter is a schedule of revenue and expense comparisons (modified accrual basis) and analysis of fund equity for the school years ended June 30, 2021 through June 30, 2025. In addition, we have also presented a summary of additional comments which we desire to bring to the board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business staff. ***Ellicottville Central School District*** has provided responses to the additional comments, however, we did not audit these responses and, accordingly, we express no opinion on them.

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

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

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
September 23, 2025

ELLICOTTVILLE CENTRAL SCHOOL DISTRICT

REVENUE AND EXPENDITURES COMPARISON AND ANALYSIS OF FUND EQUITY - GENERAL FUND (AMOUNTS IN $1,000)

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Revenue and other sources					
Property taxes	$ 9,778	$ 9,335	$ 8,869	$ 8,265	$ 8,114
State aid	5,033	4,904	4,672	4,156	3,941
All other	858	1,034	837	1,037	544
	15,669	15,273	14,378	13,458	12,599
Expenditures and other uses					
General support	2,304	2,017	1,822	1,749	1,692
Instruction	7,595	7,509	7,359	6,976	6,515
Transportation	817	896	811	689	679
Community Services	75	75	65	65	65
Benefits	2,947	2,808	2,525	2,228	2,176
Debt	1,857	1,758	1,787	1,561	1,154
Transfers	100	74	0	-	-
	15,695	15,137	14,369	13,268	12,281
Excess (deficiency) of revenue over expenditures	(26)	136	9	190	318
Fund equity					
Beginning of year	2,925	2,789	2,780	2,590	2,272
End of year	$ 2,899	$ 2,925	$ 2,789	$ 2,780	$ 2,590
Analysis of fund equity					
Restricted					
Reserve for repairs	$ 131	$ 126	$ 122	$ 122	$ 122
Reserve for retirement system	171	167	163	162	162
Reserve for employee benefits	170	278	288	324	263
Reserve for unemployment insurance	65	63	61	60	84
Reserve for transportation	116	115	78	78	33
Reserve for TRS	211	206	201	200	200
Reserve for workers compensation	31	30	30	-	-
Reserve for capital	274	268	221	220	130
Assigned					
Reserve for encumbrances	-	0	2	97	1
Next year's budget	555	625	608	620	572
Unassigned	1,175	1,047	1,015	897	1,023
	$ 2,899	$ 2,925	$ 2,789	$ 2,780	$ 2,590

Review of Payroll Contract Increases

During the audit, it was noted that there is no secondary review of payroll increases prior to the start of the school year. We recommend that the District implement a procedure whereby contractual increases are reviewed by someone independent of the payroll process.

District response: The District will create a process where the School Business Executive, Payroll Clerk and/or Superintendent will review salary changes prior to the start of the new year and compare to individual contracts. In addition, the School Business Executive and/or Superintendent will review a sample of teachers to verify they are being paid in accordance with their approved contract. Salary notices are also reviewed on an annual basis by the individual staff member and the School Business Executive and/or Superintendent.

Interfund Receivable and Payable

During the fiscal year, many transactions require an initial use of interfund loans. Such transactions include but are not limited to: State and Federal aid directly wired to the District's General Fund checking account related to basic state aid, Federal and State grants recorded in the Special Aid fund and free and reduced breakfast and lunch reimbursements recorded in the Food Service Fund; salaries and fringe benefits paid for through the General Fund related to the Food Service Fund and Special Aid Fund; Debt Service Fund transfers to and from the General Fund; and interest earned on cash and investments balances in the capital projects related to serial bonds issues and bond anticipation notes which must be utilized for future debt service and therefore, accumulated in the Debt Service Fund. As a result of these circumstances, large due to and due from balances may exist at certain times during the year in the General Fund, Special Aid Fund, Food Service Fund, Capital Projects Fund and Debt Service Fund. We recommend that the District closely monitor these outstanding interfund loan balances on a regular basis and where appropriate pay down these loan balances.

District's response: The District will monitor outstanding interfund loans on a monthly basis and pay down balances at least quarterly. This process will begin October 1, 2025.

Positive Pay

The District should consider implementing a positive pay service from their financial institution. Positive pay is a fraud deterrent service offered by banks that allows customers to monitor and control the payment of checks. It also provides assurance that presented items have not been fraudulently altered. The customer provides the bank with an electronic listing of all disbursements. Each check presented for payment is compared to this database (check number, amount, payee, date, etc.) and any checks that do not match are placed on an exception listing. The exceptions are available to the District to review daily, usually online, so they can may make a final determination of payment.

District's response: The District is aware of Positive Pay and will reach out to the District's bank to learn more about the process to deter fraud. The District will review the process of Positive Pay, the workload and how to manage the new task with limited staff. At that time, the District will determine when to implement the Positive Pay process. The District will research Positive Pay and discuss with administration prior to December 31, 2025. The goal would be to implement Positive Pay beginning January 2026.

ELLICOTTVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUND
FINANCIAL STATEMENT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

ELLICOTTVILLE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUND

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

INDEPENDENT AUDITOR'S REPORT

To the President and
Members of the Board of Education
Ellicottville Central School District
Ellicottville, New York

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the ***Ellicottville Central School District*** for the year ended June 30, 2025, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of ***Ellicottville Central School District*** for the year ended June 30, 2025 on the basis of accounting described in Note 1.

Basis for Opinion

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

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2025, on our consideration of the ***Ellicottville Central School District's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ***Ellicottville Central School District's*** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering ***Ellicottville Central School District's*** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
September 23, 2025

	Balances July 1, 2024	Total Receipts 2024-25	Total Receipts & Balances	Total Payments 2024-25	Balances June 30, 2025
Class of 2022	$ 1	$ -	$ 1	$ 1	$ -
Class of 2024	2,196	-	2,196	2,196	-
Class of 2025	14,527	30,993	45,520	44,168	1,352
Class of 2026	8,644	18,660	27,304	5,457	21,847
Class of 2027	7,707	17,330	25,037	8,728	16,309
Class of 2028	1,229	3,940	5,169	2,268	2,901
Class of 2029	3,661	7,168	10,829	7,093	3,736
Class of 2030	1,636	5,536	7,172	2,782	4,390
Class of 2031	-	1,859	1,859	402	1,457
Art Club	111	-	111	-	111
Caring Closet	4,590	2,400	6,990	2,455	4,535
Drama Club	13,789	11,146	24,935	14,356	10,579
Ecology Club	3,099	365	3,464	-	3,464
ESPRA	552	200	752	-	752
Music Association	11,349	16,388	27,737	15,683	12,054
NHS	836	2,440	3,276	2,752	524
Quiz Bowl/School Challenge	266	-	266	-	266
Student Council	9,413	10,957	20,370	3,273	17,097
Varsity Club	12,358	4,399	16,757	7,226	9,531
World Language Club	620	1,209	1,829	1,209	620
Yearbook	4,062	8,744	12,806	8,962	3,844
Total activity fund	$ 100,646	$ 143,734	$ 244,380	$ 129,011	$ 115,369

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are considered part of the reporting entity of ***Ellicottville Central School District*** and are included in the government-wide financial statements of the District. The activity of the Extraclassroom Activity Fund is included in the Miscellaneous Special Revenue Fund.

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

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

To the President and Members of the
Board of Education
and School Administration
Ellicottville Central School District
Ellicottville, New York

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of ***Ellicottville Central School District*** as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered ***Ellicottville Central School District's*** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ***Ellicottville Central School District's*** internal control. Accordingly, we do not express an opinion on the effectiveness of ***Ellicottville Central School District's*** internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination or 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 controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

During the course of our audit of the Extraclassroom Activity Fund, we noted the following items:

Point of Sale Records

We commend the District for its improvement in this area. We recommend the District continue its efforts of ensuring that each cash receipt received by the central treasurer is accompanied by supporting documentation which reconciles cash received to participation times rates/fees.

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York
September 23, 2025

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

September 23, 2025

To the Audit Committee
and Board of Education
Ellicottville Central School District
Ellicottville, New York

We have audited the financial statements of ***Ellicottville Central School District*** as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Governmental Auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ***Ellicottville Central School District*** are described in Note 1 to the financial statements. During the current year the District implemented GASB 101, *Compensated Absences*, which resulted in a prior period adjustment to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 23, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

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

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.