WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

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

Drescher & Malecki
Certified Public Accountants

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
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INDEPENDENT AUDITORS' REPORT

The Board of Education
Williamsville Central School District, New York:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Drescher & Malecki LLP

October 14, 2025

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

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $368,159,889 (*net position*). Net position consists of $222,793,259 net investment in capital assets, $118,766,646 restricted for specific purposes, and unrestricted net position of $26,599,984.

- The District's net position increased by $31,165,928 during the year ended June 30, 2025.

- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $134,533,324, an increase of $19,629,161 in comparison with the prior year's fund balance of $114,904,163.

- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was $9,708,649, or approximately 4.5 percent of the total General Fund expenditures and transfers out. This total amount is *available for spending* at the District's discretion and constitutes approximately 7.3 percent of the General Fund's total fund balance of $133,551,738 at June 30, 2025.

- The District's total bonded indebtedness decreased $1,050,000 as a result of scheduled principal payments made during the year ended June 30, 2025.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, Capital Projects Fund, and Special Aid Fund, which are considered major funds. Data from the other four governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the Supplementary Information section of this report.

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

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The District maintains one fiduciary fund, the Private Purpose Trust Fund.

The fiduciary fund financial statements can be found on pages 18-19 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-47 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's net pension liability/(asset), the changes in the District's total other postemployment benefits ("OPEB") obligation, and the District's budgetary comparison for the General Fund. Required Supplementary Information and related notes to the Required Supplementary Information can be found on pages 48-55 of this report.

Other supplementary information is presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 56-60.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $368,159,889 at June 30, 2025, as compared to $336,993,961, at the close of the fiscal year ended June 30, 2024.

Table 1, shown below, presents a condensed statement of net position of the District at June 30, 2025 and June 30, 2024.

Table 1—Condensed Statements of Net Position

	Year Ended June 30,	
	2025	2024
Current assets	$ 155,337,786	$ 134,150,099
Noncurrent assets	243,741,737	221,409,200
Total assets	399,079,523	355,559,299
Deferred outflows of resources	40,869,614	46,758,264
Current liabilities	19,012,127	16,448,658
Noncurrent liabilities	34,378,589	41,353,051
Total liabilities	53,390,716	57,801,709
Deferred inflows of resources	18,398,532	7,521,893
Net position:		
Net investment in capital assets	222,793,259	220,312,285
Restricted	118,766,646	91,701,263
Unrestricted	26,599,984	24,980,413
Total net position	$ 368,159,889	$ 336,993,961

The largest portion of the District's net position at June 30, 2025, $222,793,259, reflects its investment in capital assets (e.g. land, buildings, improvements and equipment), net of accumulated depreciation/ amortization and less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide a variety of services to students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, $118,766,646, represents resources that are subject to external restrictions on how they may be used by grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The final portion of the District's net position is considered unrestricted net position, $26,599,984, which represents resources that may be used to meet the District's ongoing operations.

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

Table 2—Condensed Statements of Changes in Net Position

	Year Ended June 30,	
	2025	2024
Program revenues:		
Charges for services	$ 3,789,501	$ 3,668,544
Operating grants and contributions	11,970,828	11,939,760
General revenues	236,435,691	227,198,299
Total revenues	252,196,020	242,806,603
Program expenses	221,030,092	221,167,931
Change in net position	31,165,928	21,638,672
Net position—beginning	336,993,961	315,355,289
Net position—ending	$ 368,159,889	$ 336,993,961

Overall revenues increased 3.9 percent from the prior year, primarily due to increased state sources-unrestricted related to the basic formula and increased property tax collections. Total expenses decreased 0.1 percent from the prior year, mainly due to a decrease in instructional costs related to teacher salaries and contractual expenses and decreased central services contractual expenses.

A summary of sources of revenues for the years ended June 30, 2025 and June 30, 2024 is presented on the following page in Table 3.

Table 3—Summary of Sources of Revenues

	Year Ended June 30,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
Charges for services	$ 3,789,501	$ 3,668,544	$ 120,957	3.3
Operating grants and contributions	11,970,828	11,939,760	31,068	0.3
Real property taxes and other tax items	146,059,847	142,368,876	3,690,971	2.6
Non-property tax items	16,261,841	15,779,661	482,180	3.1
Use of money and property	6,054,586	6,029,416	25,170	0.4
Sale of property and compensation for loss	45,371	62,914	(17,543)	(27.9)
Miscellaneous	998,935	685,566	313,369	45.7
State sources—unrestricted	67,015,111	62,271,866	4,743,245	7.6
Total revenues	$ 252,196,020	$ 242,806,603	$ 9,389,417	3.9

The most significant revenue items for the year ended June 30, 2025 were real property taxes and other tax items of $146,059,847, or 57.9 percent of total revenues, State sources—unrestricted of $67,015,111, or 26.6 percent of total revenues, and non-property tax items of $16,261,841, or 6.4 percent of total revenues. Similarly, for the year ended June 30, 2024, the most significant revenue items were real property taxes and other tax items of $142,368,876, or 58.6 percent of total revenues, State sources—unrestricted of $62,271,866, or 25.6 percent of total revenues, and non-property tax items of $15,779,661, or 6.5 percent of total revenues.

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

Table 4—Summary of Program Expenses

	Year Ended June 30,		Increase/(Decrease)	
	2025	2024	Dollars	Percent (%)
General support	$ 28,874,328	$ 29,959,181	$ (1,084,853)	(3.6)
Instruction	169,966,398	172,131,712	(2,165,314)	(1.3)
Pupil transportation	15,641,203	12,914,563	2,726,640	21.1
Community service	6,107	-	6,107	100.0
Interest and other fiscal charges	192,258	435,319	(243,061)	(55.8)
School food service	5,267,489	4,761,136	506,353	10.6
Student activities	1,082,309	966,020	116,289	12.0
Total program expenses	$ 221,030,092	$ 221,167,931	$ (137,839)	(0.1)

The most significant expense items for the year ended June 30, 2025 were instruction of $169,966,398, or 76.9 percent of total expenses, general support of $28,874,328, or 13.1 percent of total expenses, and pupil transportation expenses of $15,641,203, or 7.1 percent of total expenses. Similarly, for the year ended June 30, 2024 the most significant expense items were instruction of $172,131,712, or 77.8 percent of total expenses, general support of $29,959,181, or 13.5 percent of total expenses, and pupil transportation expenses of $12,914,563, or 5.8 percent of total expenses.

Financial Analysis of Governmental Funds

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

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

As of June 30, 2025, the District's governmental funds reported combined ending fund balances of $134,533,324, an increase of $19,629,161 from the prior year. Approximately 5.6 percent of this amount, $7,477,848, constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is either *nonspendable, restricted, or assigned*, to indicate that it is 1) not in spendable form, $804,375, 2) restricted for particular purposes, $118,766,646, or 3) assigned for particular purposes, $7,484,455.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was $9,708,649, while total fund balance increased to $133,551,738. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 4.5 percent of total General Fund expenditures and transfers out, while total fund balance represents 62.6 percent of that same amount.

The total fund balance of the District's General Fund increased by $27,472,429 during the current fiscal year. During the annual budget process, the District anticipated utilizing $4,913,731 of fund balance (this included funds appropriated from fund balance of $3,000,000 and the re-appropriation of prior year's encumbrances of $1,913,731). Interest earnings and state aid received in excess of budgeted amounts, coupled with spending less than anticipated across the District's major functions, including salaries and employee benefits, the District's General Fund fund balance ended $32,286,160 higher than expected.

The fund balance in the Capital Projects Fund decreased $7,193,941 for the year ended June 30, 2025 due to capital outlay spending exceeding transfers in from the General Fund. The ending fund balance deficit in the Capital Projects Fund was $(2,230,801). The District anticipates that the deficit in the Capital Projects Fund will be funded through future long-term debt issuances.

The Special Aid Fund maintains funds that are received from the State and Federal governments. Total revenues amounted to $7,799,194 and were comprised primarily of State and Federal sources. Expenditures totaled $7,999,194 and were used toward the instruction and transportation of students. The remaining balance was funded by a transfer from the General Fund of $200,000.

General Fund Budgetary Highlights

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

Table 5—General Fund Budget

Change from Adopted Budget to Final Budget	
Adopted budget, 2024-2025	$ 232,740,574
Add: Prior year's encumbrances	1,913,731
Original budget, 2024-2025	234,654,305
Budget revisions:	
Gifts and donations	13,824
Final budget, 2024-2025	$ 234,668,129

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

Capital Asset and Debt Administration

Capital assets—The District's investment in capital assets for its governmental activities as of June 30, 2025, amounted to $229,474,364 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, equipment and vehicles, and right-to-use leased assets. All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the District's capital asset policy.

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

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

	June 30,	
	2025	2024
Land	$ 2,895,500	$ 2,898,133
Construction in progress	39,774,171	30,502,987
Land improvements	138,572	195,144
Buildings and improvements	174,730,788	176,385,447
Equipment and vehicles	6,440,597	8,210,006
Right-to-use leased assets	5,494,736	3,217,483
Total	$ 229,474,364	$ 221,409,200

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

Long-term liabilities—At June 30, 2025, the District reported bonded debt outstanding of $2,790,000, as compared to $3,840,000 in the prior year. During the year ended June 30, 2025, the District made scheduled principal payments of $1,050,000.

A summary of the District's long-term liabilities at June 30, 2025 and June 30, 2024 is presented in Table 7 below:

Table 7—Summary of Long-Term Liabilities

	June 30,	
	2025	2024
Serial bonds	$ 2,790,000	$ 3,840,000
Premium on serial bonds	153,608	240,412
Bonds payable, net	2,943,608	4,080,412
Lease liability	3,109,809	2,011,505
Compensated absences	17,536,105	19,199,080
Workers' compensation	1,031,446	1,195,050
OPEB obligation	1,461,038	1,563,855
Net pension liability	8,296,583	13,303,149
Total	$ 34,378,589	$ 41,353,051

Additional information on the District's long-term liabilities can be found in Note 11 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region at June 30, 2025 was 3.4 percent. This compares to New York State's unemployment rate of 4.0 percent. These factors are considered in preparing the District's budget.

During the current fiscal year, the District appropriated $3,750,000 of the General Fund's unassigned fund balance for spending in the District's 2025-2026 fiscal year budget. The 2025-2026 adopted budget appropriations total of $242,719,867 is an approximate increase of 4.1 percent as compared to the $232,740,574 budgeted appropriations in 2024-2025. The District's total budgeted tax levy in 2025-2026 is $148,413,562, which is an approximate increase of 2.9 percent as compared to $144,100,000 levied during the 2024-2025 year.

Request for Information

This financial report is designed to provide our taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Christopher McGinley, Assistant Superintendent for Finance and Management Services, Williamsville Central School District, 105 Casey Road, East Amherst, NY 14051.

BASIC FINANCIAL STATEMENTS

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

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 21,230,040
Restricted cash and cash equivalents	120,757,796
Receivables	703,637
Intergovernmental receivables	11,841,938
Inventories	164,375
Cash value of life insurance	640,000
Noncurrent net pension asset	14,267,373
Capital assets, not being depreciated/amortized	42,669,671
Capital assets, net of accumulated depreciation/amortization	186,804,693
Total assets	399,079,523
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	40,845,563
Deferred outflows—relating to OPEB	20,128
Deferred charge on refunding	3,923
Total deferred outflows of resources	40,869,614
LIABILITIES	
Accounts payable	5,362,468
Due to other governments	263
Accrued liabilities	814,967
Due to retirement systems	11,502,698
Unearned revenues	1,331,731
Noncurrent liabilities:	
Due within one year	3,866,501
Due within more than one year	30,512,088
Total liabilities	53,390,716
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	18,123,718
Deferred inflows—relating to OPEB	274,814
Total deferred inflows of resources	18,398,532
NET POSITION	
Net investment in capital assets	222,793,259
Restricted for:	
Insurance	2,200,489
Unemployment	276,157
Tax certiorari	550,000
Capital projects	79,041,266
Workers' compensation	2,025,752
Repairs	5,153,809
Employee benefits	10,542,834
Retirement contribution	18,311,554
Student activities	529,401
Debt service	135,384
Unrestricted	26,599,984
Total net position	$ 368,159,889

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

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities
Governmental activities:				
General support	$ 28,874,328	$ 18,789	$ -	$ (28,855,539)
Instruction	169,966,398	1,168,091	10,219,958	(158,578,349)
Pupil transportation	15,641,203	-	-	(15,641,203)
Community service	6,107	-	-	(6,107)
Interest and other fiscal charges	192,258	-	-	(192,258)
School food service	5,267,489	1,461,587	1,750,870	(2,055,032)
Student activities	1,082,309	1,141,034	-	58,725
Total primary government	$ 221,030,092	$ 3,789,501	$ 11,970,828	$ (205,269,763)

General revenues:	
Real property taxes and other tax items	146,059,847
Non-property tax items	16,261,841
Use of money and property	6,054,586
Sale of property and compensation for loss	45,371
Miscellaneous	998,935
State sources—unrestricted	67,015,111
Total general revenues	236,435,691
Change in net position	31,165,928
Net position—beginning	336,993,961
Net position—ending	$ 368,159,889

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

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

	General	Capital Projects	Special Aid	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 19,027,006	$ -	$ -	$ 2,203,034	$ 21,230,040
Restricted cash and cash equivalents	118,101,861	1,466,082	308,256	881,597	120,757,796
Receivables	701,090	-	2,547	-	703,637
Intergovernmental receivables	6,392,959	-	5,165,750	283,229	11,841,938
Due from other funds	5,770,543	-	-	128,635	5,899,178
Inventories	-	-	-	164,375	164,375
Cash value of life insurance	640,000	-	-	-	640,000
Total assets	$ 150,633,459	$ 1,466,082	$ 5,476,553	$ 3,660,870	$ 161,236,964
LIABILITIES					
Accounts payable	$ 3,068,090	$ 2,097,693	$ 194,438	$ 2,247	$ 5,362,468
Due to other governments	263	-	-	-	263
Accrued liabilities	2,561,473	-	1,930	43,899	2,607,302
Due to other funds	9,230	1,599,190	4,290,379	379	5,899,178
Due to retirement systems	11,442,665	-	-	60,033	11,502,698
Unearned revenues	-	-	989,806	341,925	1,331,731
Total liabilities	17,081,721	3,696,883	5,476,553	448,483	26,703,640
FUND BALANCES					
Nonspendable	640,000	-	-	164,375	804,375
Restricted	118,101,861	-	-	664,785	118,766,646
Assigned	5,101,228	-	-	2,383,227	7,484,455
Unassigned	9,708,649	(2,230,801)	-	-	7,477,848
Total fund balances (deficit)	133,551,738	(2,230,801)	-	3,212,387	134,533,324
Total liabilities and fund balances (deficit)	$ 150,633,459	$ 1,466,082	$ 5,476,553	$ 3,660,870	$ 161,236,964

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

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

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

Total fund balances (deficit)—governmental funds (page 14)		$ 134,533,324
Net pension assets are not current financial resources and, therefore, are not reported in the fund statements.		14,267,373
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is $341,540,711 and the accumulated depreciation/amortization is $112,066,347.		229,474,364
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	$ 11,502,698	
Deferred outflows related to experience, changes in assumptions, investment earnings, and changes in proportion	29,342,865	
Deferred inflows of resources related to pension plans	(18,123,718)	22,721,845
Deferred outflows and inflows of resources related other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to benefit payments and changes of assumptions	$ 20,128	
Deferred inflows related to experience and changes of assumptions	(274,814)	(254,686)
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the refunded debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide statements.		3,923
Reclassification of compensated absences liability due within one year.		1,796,760
Net accrued interest expense for serial bonds is not reported in the fund statements.		(4,425)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	$ (2,790,000)	
Premium on serial bonds	(153,608)	
Lease liability	(3,109,809)	
Noncurrent compensated absences	(17,536,105)	
Workers' compensation	(1,031,446)	
OPEB obligation	(1,461,038)	
Net pension liability	(8,296,583)	(34,378,589)
Net position of governmental activities		$ 368,159,889

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

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

	General	Capital Projects	Special Aid	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Real property taxes and other tax items	$ 146,059,847	$ -	$ -	$ -	$ 146,059,847
Non-property tax items	16,261,841	-	-	-	16,261,841
Charges for services	460,298	-	-	726,582	1,186,880
Use of money and property	5,835,847	-	-	218,739	6,054,586
Sale of property and compensation for loss	45,371	-	-	-	45,371
Miscellaneous	856,222	-	101,421	41,292	998,935
State sources	68,448,255	-	3,698,208	54,124	72,200,587
Federal sources	1,034,917	-	3,999,565	1,750,870	6,785,352
Sales—food service	-	-	-	1,461,587	1,461,587
Student activity collections	-	-	-	1,141,034	1,141,034
Total revenues	239,002,598	-	7,799,194	5,394,228	252,196,020
EXPENDITURES					
Current:					
General support	21,438,676	-	-	-	21,438,676
Instruction	128,164,336	-	7,516,059	615,184	136,295,579
Pupil transportation	12,228,631	-	483,135	-	12,711,766
Community service	4,950	-	-	-	4,950
Employee benefits	43,571,203	-	-	68,035	43,639,238
Debt service:					
Principal	778,964	-	-	1,050,000	1,828,964
Interest and other fiscal charges	155,555	-	-	120,581	276,136
Cost of sales (school lunch)	-	-	-	4,278,027	4,278,027
Student activities	-	-	-	1,082,309	1,082,309
Capital outlay	-	12,888,482	-	-	12,888,482
Total expenditures	206,342,315	12,888,482	7,999,194	7,214,136	234,444,127
Excess (deficiency) of revenues over expenditures	32,660,283	(12,888,482)	(200,000)	(1,819,908)	17,751,893
OTHER FINANCING SOURCES (USES)					
Issuance of leases	1,877,268	-	-	-	1,877,268
Transfers in	-	5,694,541	200,000	1,170,581	7,065,122
Transfers out	(7,065,122)	-	-	-	(7,065,122)
Total other financing sources (uses)	(5,187,854)	5,694,541	200,000	1,170,581	1,877,268
Net change in fund balances (deficit)	27,472,429	(7,193,941)	-	(649,327)	19,629,161
Fund balances—beginning	106,079,309	4,963,140	-	3,861,714	114,904,163
Fund balances (deficit)—ending	$ 133,551,738	$ (2,230,801)	$ -	$ 3,212,387	$ 134,533,324

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

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities

Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities (page 13) are different because:		
Net change in fund balances (deficit)—total governmental funds (page 16)		$ 19,629,161
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Capital asset additions, net	$ 15,781,065	
Depreciation/amortization expense	(7,715,901)	8,065,164
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
District pension contributions	$ 13,177,434	
Cost of benefits earned net of employee contributions	(10,623,809)	2,553,625
Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.		(39,439)
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge on the government-wide statements and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		(5,536)
In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.		2,610
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:		
Repayment of serial bonds	$ 1,050,000	
Amortization of premiums on serial bonds	86,804	
Issuance of leases	(1,877,268)	
Repayment of leases	778,964	
Change in noncurrent compensated absences	655,422	
Change in workers' compensation	163,604	
Change in OPEB obligation	102,817	960,343
Change in net position of governmental activities		$ 31,165,928

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

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position—Private Purpose Trust Fund
June 30, 2025

	Private Purpose Trust
ASSETS	
Restricted cash and cash equivalents	$ 22,480
Total assets	22,480
LIABILITIES	
Accounts payable	2,750
Total liabilities	2,750
NET POSITION	
Restricted for scholarships	19,730
Total net position	$ 19,730

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

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Changes in Fiduciary Net Position—Private Purpose Trust Fund
Year Ended June 30, 2025

	Private Purpose Trust
ADDITIONS	
Gifts and contributions	$ 1,000
Interest earnings	643
Total additions	1,643
DEDUCTIONS	
Scholarships awarded	2,750
Total deductions	2,750
Change in fiduciary net position	(1,107)
Net position—beginning	20,837
Net position—ending	$ 19,730

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of Government-wide Financial Statements

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

Reporting Entity

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

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

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

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

Joint Venture—The District is one of 19 participating school districts in the Erie 1 Board of Cooperative Education Services ("BOCES"). Formed under Section 1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES. All BOCES property is held by the BOCES Board as a corporation under Section 1950(6) of Education Law.

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

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

During the year ended June 30, 2025, the District was billed $11,966,061 for BOCES administrative and program costs and recognized $394,105 in revenue as a refund from prior years' expenditures paid to BOCES. Audited financial statements for the Erie 1 BOCES are available at the BOCES' administrative offices.

Basis of Presentation – Government-wide Financial Statements

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

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

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the District and includes all operations not required to be recorded in other funds. The principal sources of revenues for the General Fund are real property taxes and state sources.

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

- *Special Aid Fund*—The Special Aid Fund is used to account for special operating projects or programs supported in whole, or in part, with federal and state grants.

The District also reports the following nonmajor governmental funds:

- *School Lunch Fund*—The School Lunch Fund is used to account for transactions of the District's food service operations.

- *Community Education Fund*—The Community Education Fund is used to account for the activity of the District's community education programs.

- *Student Activities Fund*—The Student Activities Fund is used to account for extraclassroom transactions, which represent funds of the students of the District. The District exercises administrative involvement over these funds.

- *Debt Service Fund*—The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for payment of principal and interest on long-term debt obligations of the governmental funds.

Additionally, the District reports the following fund types:

Fiduciary Funds—These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other governmental units. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds of the District include a *Private Purpose Trust Fund*. The *Private Purpose Trust Fund* is used to account for assets held by the District for scholarships.

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

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

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as

current financial resources or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are considered to be incurred if paid within 30 days of the end of the current fiscal period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

The Private Purpose Trust Fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

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

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent amounts to support future capital projects, unearned revenues, restricted fund balances, and amounts held on behalf of others.

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

Inventories—Inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market.

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Cash Value of Life Insurance—An asset representing a life insurance contract is measured at the amount that could be realized under the insurance contract as of the date of the financial statements, which is the amount reported by the insurance entity as the cash surrender value. However, since the assets are placed in trust and the District is entitled to receive back only the amount of premiums paid, an allowance offsets the asset to represent the difference between cash surrender value and premiums paid by the District. In the governmental funds, a corresponding amount of fund balance is recorded as nonspendable to indicate the funds are not available expendable resources. The District reported $640,000 within cash value of life insurance as of June 30, 2025.

Capital Assets—Capital assets, which include land, construction in progress, land improvements, buildings and improvements, equipment, and right-to-use leased assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than an established threshold ($1,000) for the type of asset and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of its donation. Major outlays for capital assets and improvements are capitalized as projects are completed. Right-to-use leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

Land and construction in progress are not depreciated. The other property, plant and equipment of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Capitalization Threshold	Estimated Useful Life (Years)
Land improvements	$ 1,000	20
Buildings and improvements	1,000	25-50
Equipment	1,000	5-20
Right-to-use leased assets	1,000	5

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

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2025, the District has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide

financial statements. This represents the effect of the net change in the District's proportion of the collective net pension liability, and the difference during the measurement period between the District's contributions, its proportionate share of total contribution to the pension systems not included in pension expense, and any contributions to the pension systems subsequent to the measurement date. The second item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the District's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. Finally, the District records a deferred charge on refunding which the District reports within the government-wide financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At June 30, 2025, the District reports two deferred inflows of resources on the government-wide financial statements related to pensions and OPEB, respectively. This first item represents the effect of the net change in the District's proportion of the collective net pension liability and the difference during the measurement periods between the District's contributions, and its proportionate share of total contributions to the pension systems not included in pension expense. The second item represents the effects of the change in the District's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

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

Fund Balance Flow Assumptions—Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

Revenues and Expenses/Expenditures

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

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

Unearned Revenues—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At June 30, 2025, the District reported unearned revenues of $989,806 and $341,925 in the Special Aid Fund and Community Education Fund, respectively, for cash received in advance for summer activities and grant funding received in advance. The cash received is classified as restricted.

Compensated Absences—The District labor agreements and District rules and regulations provide for sick leave, vacations, and other miscellaneous paid absences. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually.

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

Other Postemployment Benefits—In addition to providing pension benefits, the District provides health insurance coverage for certain retired employees as discussed in Note 7.

Other

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

Adoption of New Accounting Pronouncements—During the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*; and GASB Statement No. 102, *Certain Risk Disclosures.* GASB Statement No. 101 improves financial reporting by better meeting the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 102 improves financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The implementation of GASB Statements No. 101 and 102 did not have a material impact on the District's financial position or results from operations.

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

Deficit Fund Balance—The Capital Projects Fund reported a deficit fund balance at June 30, 2025 totaling $(2,230,801). The District anticipates that the deficit in the Capital Projects Fund will be funded through future long-term debt issuances.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

Collateral is required for demand deposit, time deposit and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York. Cash and cash equivalents at June 30, 2025, are presented on the following page.

	Governmental Funds	Fiduciary Funds	Total
Petty cash (uncollateralized)	$ 1,500	$ -	$ 1,500
Deposits	141,986,336	22,480	142,008,816
Total	$ 141,987,836	$ 22,480	$ 142,010,316

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

	Bank Balance	Carrying Balance
FDIC insured	$ 75,681,894	$ 75,670,369
Uninsured:		
Collateral held by pledging bank's agent in the District's name	69,669,398	66,338,447
Total	$ 145,351,292	$ 142,008,816

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

Restricted Cash and Cash Equivalents—The District reports amounts to support future capital projects, unearned revenues, restricted fund balances, and amounts held on behalf of others as restricted cash and cash equivalents. At June 30, 2025, the District reported $120,757,796 and $22,480 of restricted cash within its governmental and fiduciary funds, respectively.

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

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

3. RECEIVABLES

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

Receivables—Represents amounts due from various sources. The District's accounts receivable at June 30, 2025 is presented on the following page.

Governmental funds:		
General Fund:		
Health insurance rebates	$ 294,789	
Tuition adjustments	226,967	
Special education services	63,993	
Investment accrued interest	22,770	
Use of building	19,951	
Field trips	18,612	
Other	54,008	$ 701,090
Special Aid Fund:		
Education services		2,547
Total governmental funds		$ 703,637

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

General Fund:		
Erie County—sales tax	$ 1,576,095	
New York State—BOCES aid	1,637,402	
New York State—state aid	919,547	
New York State—excess cost	2,077,360	
New York State—tuition	85,298	
Federal Government—Medicaid reimbursement	97,257	$ 6,392,959
Special Aid Fund:		
New York State—Section 611 and 619 IDEA	827,039	
New York State—Summer School Special Ed	2,511,184	
New York State—Title I	258,161	
New York State—Title IA Non Pub	59,602	
New York State—Title IIA	83,234	
New York State—Title IIIA ELL	15,727	
New York State—Title IV	26,533	
New York State—Universal Pre-K	841,878	
New York State—State supported schools	514,218	
Other grants	28,174	5,165,750
School Lunch Fund:		
New York State—Breakfast and lunch programs	2,648	
Federal Government—Breakfast and lunch programs	280,581	283,229
Total governmental funds		$ 11,841,938

4. CAPITAL ASSETS

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

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital assets, not being depreciated/amortized:				
Land	$ 2,898,133	$ -	$ 2,633	$ 2,895,500
Construction in progress	30,502,987	12,888,482	3,617,298	39,774,171
Total capital assets, not being depreciated/amortized	33,401,120	12,888,482	3,619,931	42,669,671
Capital assets, being depreciated/amortized:				
Land improvements	3,159,077	-	44,521	3,114,556
Buildings and improvements	266,603,602	3,617,298	523,677	269,697,223
Equipment and vehicles	21,172,207	116,947	3,676,855	17,612,299
Right-to-use leased equipment	6,094,969	3,308,543	956,550	8,446,962
Total capital assets, being depreciated/amortized	297,029,855	7,042,788	5,201,603	298,871,040
Less accumulated depreciation/amortization for:				
Land improvements	2,963,933	12,051	-	2,975,984
Buildings and improvements	90,218,155	4,809,935	61,655	94,966,435
Equipment and vehicles	12,962,201	1,868,101	3,658,600	11,171,702
Right-to-use leased equipment	2,877,486	1,025,814	951,074	2,952,226
Total accumulated depreciation/amortization	109,021,775	7,715,901	4,671,329	112,066,347
Total capital assets, being depreciated/amortized, net	188,008,080	(673,113)	530,274	186,804,693
Governmental activities capital assets, net	$ 221,409,200	$ 12,215,369	$ 4,150,205	$ 229,474,364

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

General support	$ 5,278,488
Instruction	2,427,676
Pupil tansportation	4,601
School food service	5,136
Total depreciation expense	$ 7,715,901

5. ACCRUED LIABILITIES

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

	General Fund	Special Aid Fund	Nonmajor Funds	Governmental Funds
Salaries and employee benefits	$ 764,713	$ 1,930	$ 43,899	$ 810,542
Current compensated absences	1,796,760	-	-	1,796,760
Total accrued liabilities	$ 2,561,473	$ 1,930	$ 43,899	$ 2,607,302

6. PENSION PLANS

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

Plan Descriptions and Benefits Provided

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

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

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute three percent (3.0%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

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

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2025
Net pension liability/(asset)	$ (14,267,373)	$ 8,296,583
District's portion of the Plan's total net pension liability/(asset)	0.478192%	0.048389%

For the year ended June 30, 2025, the District recognized pension expense of $8,023,045 and $2,213,960 for the TRS and ERS, respectively. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources in the table below:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences	$ 15,363,341	$ 2,059,268	$ -	$ 97,137
Changes of assumptions	8,534,780	347,942	1,435,630	-
Net difference between projected and actual earnings on pension plan investments	-	650,927	15,852,267	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,371,111	1,015,496	364,140	374,544
District contributions subsequent to the measurement date	10,372,014	1,130,684	-	-
Total	$ 35,641,246	$ 5,204,317	$ 17,652,037	$ 471,681

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	TRS	ERS
2026	$ (7,237,699)	$ 1,698,829
2027	17,660,441	2,354,983
2028	(2,645,096)	(554,558)
2029	(2,971,740)	102,698
2030	2,014,357	-
Thereafter	796,932	-

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

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

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

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

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

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

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

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

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability/(asset)	$ 65,901,820	$ (14,267,373)	$ (81,691,816)

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	$ 24,011,357	$ 8,296,583	$ (4,825,263)

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

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

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to $10,372,014.

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, 2054 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 $1,130,684.

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description and Benefits Provided—In addition to pension benefits, the District maintains a single-employer defined benefit healthcare plan (the "Plan") providing for lifetime medical benefits to eligible retirees and spouses. Employees must be eligible for retirement under vesting requirements established by TRS. Dependent upon the employee group covered and with greater than 5 years of service, the District will provide from 45% to 95% of the premium cost for pre-age 65 medical coverage. Surviving spouses may remain in the plan but must pay for their own coverage.

Benefit provisions are based on individual contracts with the District, as negotiated from time to time. The Plan does not issue a publicly available financial report. The District recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider.

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

Inactive employees or beneficiaries currently receiving benefit payments	24
Active employees	217
Total	241

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or "earned"), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability ("AAL") under GASB Statement No. 45.

Total OPEB Liability

The District's total OPEB liability of $1,461,038 was measured as of March 31, 2025, and was determined by an actuarial valuation dated June 30, 2025.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the June 30, 2025 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 3.98% to 4.39% effective June 30, 2025. The salary scale changed from 3.42% to 3.30% effective June 30, 2025. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 5.30%, while the ultimate healthcare cost trend rate is 3.71%. Mortality rates remained at Pub-2010 Public Retirement Plans Mortality Tables, headcount-weighted, distinct for teachers, general, and safety, without separate contingent survivor mortality, fully generational using scale MP-2021.

No formal experience study is prepared for this plan.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability
Balance at June 30, 2024:	$ 1,563,855
Changes for the year:	
Service cost	27,335
Interest	60,125
Changes of assumptions	(62,154)
Differences between expected and actual experience	(47,610)
Benefit payments	(80,513)
Net changes	(102,817)
Balance at June 30, 2025	$ 1,461,038

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The table below presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability.

	1% Decrease (3.39%)	Current Discount Rate (4.39%)	1% Increase (5.39%)
Total OPEB liability	$ 1,634,749	$ 1,461,038	$ 1,315,680

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the total OPEB liability of a 1% change in the initial (5.30%) and ultimate (3.71%) healthcare cost trend rates.

	1% Decrease (4.30% / 2.71%)	Current Healthcare Cost Trend Rates (5.30% / 3.71%)	1% Increase (6.30% / 4.71%)
Total OPEB liability	$ 1,304,660	$ 1,461,038	$ 1,647,240

Funding Policy—Authorization for the District to pay a portion of retiree health insurance premiums was enacted through various contracts, which were ratified by the District's Board of Education. The District recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. The District's governmental activities contributed $80,513 for the fiscal year ended June 30, 2025. The District's contributions to the OPEB plan are based on negotiated contracts with seven bargaining units, as discussed in Note 14. Any amendments to the employer's contributions are subject to the collective bargaining agreements.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The District reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total contributions from employers included in the collective OPEB liability are required to be determined. The following table presents the District's deferred outflows and inflows of resources at June 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 109,364
Changes of assumptions	-	165,450
Contributions subsequent to the measurement date	20,128	-
Total	$ 20,128	$ 274,814

$20,128 reported as deferred outflows of resources related to OPEB resulting from the District's transactions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2026	$ (68,826)
2027	(68,826)
2028	(68,826)
2029	(36,215)
2030	(17,805)
Thereafter	(14,316)

8. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets, vehicle liability, injuries to employees, health insurance, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The District purchases insurance for: general liability, property, crime, earthquake and flood. The general liability insurance is limited to $1 million per occurrence and an unlimited aggregate. There is a $10,000 deductible. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded insurance coverage in the past three fiscal years.

Workers' Compensation—The District has chosen to establish a self-insured plan for risks associated with employee workers' compensation claims. The District accounts for this activity in the General Fund.

Liabilities are reported when it is probably that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR"). Claim liabilities are calculated with consideration of the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other benefit costs. The District has an insurance policy for claims exceeding $50,000 to reduce its exposure to larger claims.

Claim activities for the current year and the prior year were as follows:

Fiscal Year Ended	Beginning Balance	Current Claims and Changes in Estimates	Claims Paid	Ending Balance
June 30, 2025	$ 1,195,050	$ 514,033	$ 677,637	$ 1,031,446
June 30, 2024	1,982,093	111,185	898,228	1,195,050

At June 30, 2025, the General Fund maintains a restricted fund balance in the amount of $2,025,752 for the purpose of funding the District's future claim liabilities.

9. LEASES

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

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The District uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. The District previously entered into long-term lease agreements as the lessee for the acquisition and use of various equipment. As of June 30, 2025, the outstanding lease liabilities totaled $3,109,809. The value of the right-to-use lease assets as of the end of the current fiscal year was $8,446,962 and had accumulated amortization of $2,952,226. A portion of the right-to-use asset is prefunded and is not recorded as a lease liability at year-end.

The future principal and interest payments related to lease liabilities for governmental activities as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 906,932	$ 133,307	$ 1,040,239
2027	847,156	89,681	936,837
2028	674,310	53,154	727,464
2029	551,095	19,558	570,653
2030	130,316	2,703	133,019
Total	$ 3,109,809	$ 298,403	$ 3,408,212

10. SHORT-TERM DEBT

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

A summary of the District's short-term debt for the fiscal year ended June 30, 2025 follows:

Description	Interest Rate	Maturity Date	Balance 7/1/2024	Issued	Redeemed	Balance 6/30/2025
Capital Projects Fund:						
Various capital projects	4.00%	6/4/2025	$ -	$ 2,080,775	$ 2,080,775	$ -
Total			$ -	$ 2,080,775	$ 2,080,775	$ -

11. LONG-TERM LIABILITIES

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

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

The District's outstanding long-term liabilities include bonds payable, lease liabilities, compensated absences, workers' compensation, other postemployment benefits ("OPEB") obligation and net pension liability. The bonds payable of the District are secured by its general credit and revenue raising powers, as per State statute.

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

	Balance 7/1/2024	Additions	Reductions	Balance 6/30/2025	Due Within One Year
Serial bonds	$ 3,840,000	$ -	$ 1,050,000	$ 2,790,000	$ 1,095,000
Premium on serial bonds	240,412	-	86,804	153,608	67,809
Bonds payable, net	4,080,412	-	1,136,804	2,943,608	1,162,809
Lease liability	2,011,505	1,877,268	778,964	3,109,809	906,932
Compensated absences*	19,199,080	-	1,662,975	17,536,105	1,796,760
Workers' compensation	1,195,050	514,033	677,637	1,031,446	-
OPEB obligation	1,563,855	87,460	190,277	1,461,038	-
Net pension liability*	13,303,149	-	5,006,566	8,296,583	-
Total	$ 41,353,051	$ 2,478,761	$ 9,453,223	$ 34,378,589	$ 3,866,501

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

Serial Bonds—The District issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. Serial bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 6 to 15 years.

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

Principal is paid annually, interest paid semi-annually; these payments are recorded in the Debt Service Fund. A summary of additions and payments for the year ended June 30, 2025 is presented below.

Description	Year of Issue/ Maturity	Amount of Original Issue	Interest Rate (%)	Balance 7/1/2024	Additions	Payments	Balance 6/30/2025
2014 Serial Bonds	2014/2027	$ 2,700,000	2.00-3.00	$ 690,000	$ -	$ 225,000	$ 465,000
2016 Serial Bonds	2016/2030	4,300,000	2.00-5.00	2,135,000	-	330,000	1,805,000
2019 Refunding Bonds	2019/2026	3,135,000	5.00	1,015,000	-	495,000	520,000
Total				$ 3,840,000	$ -	$ 1,050,000	$ 2,790,000

Premiums on Serial Bonds—The District issued serial bonds and refunding serial bonds which received bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. Total unamortized bond premiums at June 30, 2025 are $153,608.

Lease Liability—The District enters into long-term leases for equipment. The outstanding balance at June 30, 2025 for governmental activities was $3,109,809. The liability is anticipated to be liquidated by the General Fund. Refer to Note 9 for additional information related to the District's leases.

Compensated Absences—As explained in Note 1, the District records the value of compensated absences. The annual budgets of the operating funds provide funding for these benefits as they become payable. The value recorded in the government-wide financial statements at June 30, 2025, for governmental activities is $17,536,105. Management estimates that $1,796,760 is due within one year and is included within accrued liabilities of the General Fund, as disclosed in Note 5. This balance is reclassified as a noncurrent liability on the government-wide financial statements.

Workers' Compensation—As explained in Note 8, the District is self-insured for risks associated with employee workers' compensation claims. The District's liability, as calculated by an independent third party administrator, is estimated to be $1,031,446 as of June 30, 2025.

OPEB Obligation—As explained in Note 7, the District provides health insurance coverage for certain retirees. The District's annual postemployment benefit ("OPEB") cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The long-term OPEB liability is estimated to be $1,461,038 as of June 30, 2025.

Net Pension Liability—The District reported a liability, $8,296,583, for its proportionate share of the net pension liability for the Employees' Retirement System. Refer to Note 7 for additional information related to the District's net pension liability.

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

Year Ending June 30,	Serial Bonds	Premium on Serial Bonds	Lease Liability	Compensated Absences	Workers' Compensation	OPEB Obligation	Net Pension Liability	Total
2026	$ 1,095,000	$ 67,809	$ 906,932	$ 1,796,760	$ -	$ -	$ -	$ 3,866,501
2027	590,000	21,675	847,156	-	-	-	-	1,458,831
2028	360,000	21,675	674,310	-	-	-	-	1,055,985
2029	370,000	21,675	551,095	-	-	-	-	942,770
2030	375,000	20,774	130,316	-	-	-	-	526,090
Thereafter	-	-	-	15,739,345	1,031,446	1,461,038	8,296,583	26,528,412
Total	$ 2,790,000	$ 153,608	$ 3,109,809	$ 17,536,105	$ 1,031,446	$ 1,461,038	$ 8,296,583	$ 34,378,589

Interest requirements on serial bonds and leases are as follows:

Year Ending June 30,	Serial Bonds	Leases
2026	$ 73,069	$ 133,307
2027	33,194	89,681
2028	22,569	53,154
2029	15,369	19,558
2030	7,969	2,703
Total	$ 152,170	$ 298,403

12. NET POSITION AND FUND BALANCE

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

- ***Net Investment in Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/ amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- ***Restricted Net Position***—This category presents external restriction imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- ***Unrestricted Net Position***—This category represents net position of the District not restricted for any project or other purpose.

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

- ***Cash Value of Life Insurance***—Representing the portion of fund balance, $640,000, composed of the cash value of life insurance policies unavailable for appropriation.

- ***Inventories***—Representing the portion of School Lunch fund balance, $164,375 composed of inventory. This balance is nonspendable as the inventory does not represent an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or enabling legislation. Restricted fund balance maintained by the District at June 30, 2025 is presented on the following page.

	General Fund	Nonmajor Funds	Total
Insurance	$ 2,200,489	$ -	$ 2,200,489
Unemployment	276,157	-	276,157
Tax certiorari	550,000	-	550,000
Capital projects	79,041,266	-	79,041,266
Workers' compensation	2,025,752	-	2,025,752
Repairs	5,153,809	-	5,153,809
Employee benefits	10,542,834	-	10,542,834
Retirement contribution	18,311,554	-	18,311,554
Student activities	-	529,401	529,401
Debt service	-	135,384	135,384
Total	$ 118,101,861	$ 664,785	$ 118,766,646

- ***Insurance***—According to General Municipal Law Section 6-n, this restriction must be used to fund certain uninsured losses, claims, actions, or judgments for which the District is authorized or required to purchase or maintain insurance, with a number of

exceptions. An insurance reserve fund may also be used to pay for expert or professional services in connection with the investigation, adjustment, or settlement of claims, actions, or judgments. The restriction may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The amount paid into this reserve fund during any fiscal year may not exceed the greater of $33,000 or 5 percent of the total budget of the fiscal year.

- ***Unemployment***—According to General Municipal Law Section 6-m, this restriction must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The restriction may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

- ***Tax Certiorari***—According to Education Law Section 3651.1-a, this restriction must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the restriction shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeds in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

- ***Capital Projects***—According to Education Law Section 3651, this restriction must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the restriction only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of the Education Law.

- ***Workers' Compensation***—According to General Municipal Law Section 6-j, this restriction must be used to pay compensation and benefits, medical, hospital, or other expenses authorized by Article 2 of the Workers' Compensation Law. The restriction may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District ceases to be a self-insurer, moneys remaining in the fund may be transferred to certain other reserve funds, but only to the extent moneys in the fund exceed an amount sufficient to pay all authorized expenditures, both accrued and contingent.

- ***Repairs***—According to General Municipal Law Section 6-d, this restriction must be used to pay the cost of repairs to capital improvements or equipment, which repairs are a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval

is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this restriction may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

- ***Employee Benefits***—According to General Municipal Law Section 6-p, this restriction must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

- ***Retirement Contribution***—According to General Municipal Law Section 6-r, this restriction must be used to pay "retirement contributions," which are defined as all or any portion of the amount payable to the ERS ($10,285,438), pursuant to Sections 17 or 317 of the NYSSRL, and to the TRS ($8,026,116), pursuant to the newly amended Section 6-r. The restriction may be established by Board resolution; there are no referendum requirements to create or expend money from the funds. The Board may authorize the transfer of the moneys to a reserve fund established pursuant to Sections 6c-g of the GML or Section 3651 of Education Law.

- ***Student Activities***—Amounts generated by the Extraclassroom Activities at the District which are restricted for use only within the Student Activities Fund for specified student activities.

- ***Debt Service***—Represents premiums and interest which is restricted for the reduction of future debt service requirements.

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

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

	General Fund	Nonmajor Funds	Total
Subsequent year's expenditures	$ 3,750,000	$ -	$ 3,750,000
Encumbrances	1,351,228	-	1,351,228
Specific use:			
School lunch	-	2,158,144	2,158,144
Community education	-	225,083	225,083
Total	$ 5,101,228	$ 2,383,227	$ 7,484,455

- ***Assigned to Subsequent Year's Expenditures***—Representing available fund balance being appropriated to meet expenditure requirements in the 2025-26 fiscal year.

- ***Assigned to Encumbrances***—Representing amounts related to unperformed (executory) contracts for goods and services.

- ***Assigned to Specific Use—School Lunch***—Representing remaining fund balance of $2,158,144 within the special revenue fund used to maintain school lunch operations.

- ***Assigned to Specific Use—Community Education***—Representing remaining fund balance of $225,083 within the special revenue fund used to maintain community education programs.

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

13. INTERFUND BALANCES AND ACTIVITY

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

	Interfund	
Fund	Receivable	Payable
Governmental Funds:		
General Fund	$ 5,770,543	$ 9,230
Capital Projects Fund	-	1,599,190
Special Aid Fund	-	4,290,379
Nonmajor funds:		
School Lunch Fund	3,522	-
Debt Service Fund	125,113	-
Community Education Fund	-	379
Total governmental funds	$ 5,899,178	$ 5,899,178

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

The District made the following transfers during the year ended June 30, 2025:

	Transfers in:			
Transfers out:	Capital Projects Fund	Special Aid Fund	Nonmajor Funds	Total
General Fund	$ 5,694,541	$ 200,000	$ 1,170,581	$ 7,065,122

Transfers are used primarily to finance certain special aid programs, to fund debt service payments, to support capital project expenditures and finance long-term liabilities.

14. LABOR CONTRACTS

District employees are represented by six bargaining units, with the balance governed by Board of Education rules and regulations. Negotiated contracts are in place August 31, 2025 for the Williamsville Teachers' Association; June 30, 2026 for the Williamsville Coordinators' Association (now Williamsville Directors' Association), Williamsville Supervisors' and Computer Technicians' Association, Williamsville Administrators' Association, and Williamsville Association of Education Related Personnel; and June 30, 2027 for the CSEA Custodial Unit.

15. COMMITMENTS

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

The District considers encumbrances to be significant for amounts that are encumbered in excess of $500,000. As of June 30, 2025, the District reported no significant encumbrances.

16. CONTINGENCIES

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

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

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

17. TAX ABATEMENTS

The District is subject to tax abatements granted by the Amherst Industrial Development Agency ("AIDA"), Clarence Industrial Development Agency ("CIDA") and Erie County Industrial Development Agency ("ECIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the AIDA, CIDA and ECIDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the District, the abatements have resulted in reductions of property taxes, which the District administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by the AIDA, CIDA and ECIDA, the District collected $1,909,496 during the 2024-2025 fiscal year in payments in lieu of taxes ("PILOT"), these collections were made in lieu of $2,049,213 in property taxes.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 14, 2025, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)— Teachers' Retirement System

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability/(asset)	0.478192%	0.496642%	0.506870%	0.516437%	0.500461%	0.498961%	0.489712%	0.496312%	0.491814%	0.465356%
District's proportionate share of the net pension liability/(asset)	$ (14,267,373)	$ 5,679,518	$ 9,726,282	$ (89,493,611)	$ 13,829,084	$ (12,963,043)	$ (8,855,285)	$ (3,772,466)	$ 5,267,529	$ (48,335,654)
District's covered payroll	$ 123,882,963	$ 129,760,376	$ 120,783,139	$ 115,953,862	$ 114,640,443	$ 113,058,080	$ 108,636,890	$ 106,943,974	$ 103,752,532	$ 100,134,290
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(11.5%)	4.4%	8.1%	(77.2%)	12.1%	(11.5%)	(8.2%)	(3.5%)	5.1%	(48.3%)
Plan fiduciary net position as a percentage of the total pension liability	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

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

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 10,372,014	$ 9,842,854	$ 10,236,242	$ 9,492,150	$ 8,261,695	$ 7,516,311	$ 8,844,837	$ 9,217,679	$ 10,063,251	$ 12,253,957
Contribution in relation to the contractually required contribution	(10,372,014)	(9,842,854)	(10,236,242)	(9,492,150)	(8,261,695)	(7,516,311)	(8,844,837)	(9,217,679)	(10,063,251)	(12,253,957)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 93,939,661	$ 123,882,963	$ 129,760,376	$ 120,783,139	$ 115,953,862	$ 114,640,443	$ 113,058,080	$ 108,636,890	$ 106,943,974	$ 103,752,532
Contributions as a percentage of covered payroll	11.0%	7.9%	7.9%	7.9%	7.1%	6.6%	7.8%	8.5%	9.4%	11.8%

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of the District's Proportionate Share of the Net Pension Liability/(Asset)— Employees' Retirement System

Last Ten Fiscal Years

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
District's proportion of the net pension liability/(asset)	0.0483886%	0.0517767%	0.0498905%	0.0493686%	0.0519437%	0.0515871%	0.055899%	0.058103%	0.056432%	0.057807%
District's proportionate share of the net pension liability/(asset)	$ 8,296,583	$ 7,623,631	$ 10,698,539	$ (4,035,678)	$ 51,722	$ 13,660,565	$ 3,960,602	$ 1,875,233	$ 5,302,498	$ 9,278,254
District's covered payroll	$ 21,675,829	$ 19,038,459	$ 18,974,745	$ 18,157,007	$ 17,274,327	$ 18,672,592	$ 18,697,641	$ 18,498,193	$ 18,744,323	$ 17,595,166
District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	38.3%	40.0%	56.4%	(22.2%)	0.3%	73.2%	21.2%	10.1%	28.3%	52.7%
Plan fiduciary net position as a percentage of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%

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

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 2,805,420	$ 2,887,300	$ 2,351,148	$ 2,718,253	$ 2,559,992	$ 2,624,531	$ 2,665,782	$ 2,666,685	$ 2,674,252	$ 3,027,623
Contribution in relation to the contractually required contribution	(2,805,420)	(2,887,300)	(2,351,148)	(2,718,253)	(2,559,992)	(2,624,531)	(2,665,782)	(2,666,685)	(2,674,252)	(3,027,623)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 23,098,749	$ 19,330,942	$ 19,143,608	$ 18,877,717	$ 17,381,941	$ 18,788,917	$ 18,890,633	$ 18,537,850	$ 18,153,666	$ 17,830,601
Contributions as a percentage of covered payroll	12.1%	14.9%	12.3%	14.4%	14.7%	14.0%	14.1%	14.4%	14.7%	17.0%

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Last Nine Fiscal Years*

	Year Ended June 30,								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 27,335	$ 30,369	$ 40,126	$ 44,433	$ 62,594	$ 63,446	$ 48,735	$ 64,740	$ 62,478
Interest	60,125	58,413	51,827	37,514	55,205	76,422	71,973	88,770	73,046
Changes of assumptions	(47,610)	(31,952)	(172,765)	(102,021)	32,687	285,697	(112,663)	54,181	212,713
Differences between expected and actual experience	(62,154)	(7,919)	(120,747)	286,797	(642,089)	(318,316)	299,864	(479,991)	(141,709)
Benefit payments	(80,513)	(74,719)	(83,658)	(63,663)	(101,946)	(94,756)	(54,055)	(53,207)	(50,929)
Net changes in total OPEB liability	(102,817)	(25,808)	(285,217)	203,060	(593,549)	12,493	253,854	(325,507)	155,599
Total OPEB liability—beginning	1,563,855	1,589,663	1,874,880	1,671,820	2,265,369	2,252,876	1,999,022	2,324,529	2,168,930
Total OPEB liability—ending	$ 1,461,038	$ 1,563,855	$ 1,589,663	$ 1,874,880	$ 1,671,820	$ 2,265,369	$ 2,252,876	$ 1,999,022	$ 2,324,529
Plan fiduciary net position									
Contributions—employer	$ 80,513	$ 74,719	$ 83,658	$ 63,663	$ 101,946	$ 94,756	$ 54,055	$ 53,207	$ 50,929
Benefit payments	(80,513)	(74,719)	(83,658)	(63,663)	(101,946)	(94,756)	(54,055)	(53,207)	(50,929)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's net OPEB liability—ending	$ 1,461,038	$ 1,563,855	$ 1,589,663	$ 1,874,880	$ 1,671,820	$ 2,265,369	$ 2,252,876	$ 1,999,022	$ 2,324,529
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 15,874,664	$ 14,861,141	$ 14,354,430	$ 15,115,228	$ 14,612,556	$ 14,706,105	$ 14,706,105	$ 14,234,929	$ 14,234,929
District's net OPEB liability as a percentage of covered-employee payroll	9.2%	10.5%	11.1%	12.4%	11.4%	15.4%	15.3%	14.0%	16.3%

*Information prior to the year ended June 30, 2017 is not available.

The notes to the required supplementary information are an integral part of this schedule.

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

	Budgeted Amounts		Actual	Variance with
REVENUES	**Original**	**Final**	**Amounts**	**Final Budget**
Local sources:				
Real property taxes and other tax items	$ 146,614,000	$ 146,614,000	$ 146,059,847	$ (554,153)
Non-property taxes	15,000,000	15,000,000	16,261,841	1,261,841
Charges for services	402,000	402,000	460,298	58,298
Use of money and property	3,164,000	3,164,000	5,835,847	2,671,847
Sale of property and compensation for loss	12,500	12,500	45,371	32,871
Miscellaneous	390,000	403,824	856,222	452,398
State sources:				
Basic formula	57,400,508	57,400,508	47,109,657	(10,290,851)
Lottery	2,188,998	2,188,998	16,289,102	14,100,104
BOCES	3,197,521	3,197,521	3,616,352	418,831
Textbooks	986,047	986,047	622,635	(363,412)
Computer software	-	-	307,177	307,177
Library loan program	-	-	487,332	487,332
Other State aid	-	-	16,000	16,000
Federal sources:				
Medicaid assistance	385,000	385,000	1,034,917	649,917
Total revenues	229,740,574	229,754,398	239,002,598	9,248,200
OTHER FINANCING SOURCES				
Issuance of leases	-	-	1,877,268	1,877,268
Total revenues and other financing sources	$ 229,740,574	$ 229,754,398	$ 240,879,866	$ 11,125,468

(continued)

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

(concluded)

	Budgeted Amounts		Actual		Variance with
	Original	Final	Amounts	Encumbrances	Final Budget
EXPENDITURES					
General support:					
Board of Education	$ 113,055	$ 108,345	$ 75,146	$ 89	$ 33,110
Central administration	418,373	433,873	409,710	523	23,640
Finance	818,841	868,700	753,160	1,564	113,976
Staff	1,757,100	1,967,467	1,770,557	5,718	191,192
Central services	18,537,644	19,111,080	15,777,210	654,617	2,679,253
Special items	2,405,400	2,927,891	2,652,893	2,783	272,215
Instruction:					
Instruction, administration and improvement	8,118,329	9,138,817	8,767,285	19,010	352,522
Teaching—regular school	82,390,614	80,246,602	74,330,488	464,941	5,451,173
Programs for pupils with handicapping conditions	26,415,496	27,378,594	25,613,365	82,113	1,683,116
Occupational education	2,132,852	2,424,530	2,424,530	-	-
Teaching—special schools	682,740	691,715	573,006	105	118,604
Instructional media	5,693,684	5,815,023	5,078,957	24,940	711,126
Pupil services	11,152,294	12,047,739	11,376,705	12,048	658,986
Pupil transportation	13,190,605	13,158,748	12,228,631	16,270	913,847
Community services	21,000	21,000	4,950	-	16,050
Employee benefits	48,627,313	46,149,040	43,571,203	66,507	2,511,330
Debt service:					
Principal	778,964	778,964	778,964	-	-
Interest and other fiscal charges	702,513	702,513	155,555	-	546,958
Total expenditures/encumbrances	223,956,817	223,970,641	206,342,315	1,351,228	16,277,098
OTHER FINANCING SOURCES					
Transfers out	10,697,488	10,697,488	7,065,122	-	3,632,366
Total expenditures/encumbrances and other financing uses	234,654,305	234,668,129	213,407,437	1,351,228	19,909,464
Net change in fund balance*	(4,913,731)	(4,913,731)	27,472,429		
Fund balance—beginning	106,079,309	106,079,309	106,079,309		
Fund balance—ending	$ 101,165,578	$ 101,165,578	$ 133,551,738		

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

The notes to the required supplementary information are an integral part of this schedule.

1. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate, salary scale, and healthcare cost trend rate. The discount rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date, which increased from 3.98% to 4.39% at June 30, 2025. The salary scale reflects the rate at which payroll amounts are expected to change over time and increased from 3.42% to 3.30% at June 30, 2025. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate increased from 5.10% to 5.30%, while the ultimate healthcare cost trend rate decreased from 3.86% to 3.71% at June 30, 2025.

2. BUDGETARY INFORMATION

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

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

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

SUPPLEMENTARY INFORMATION

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

Change from Adopted Budget to Final Budget

Adopted budget, 2024-2025	$ 232,740,574
Add: Prior year's encumbrances	1,913,731
Original budget, 2024-2025	234,654,305
Budget revisions:	
Gifts and donations	13,824
Final budget, 2024-2025	$ 234,668,129

Section 1318 of Real Property Tax Law Limit Calculation

2025-2026 Voter-approved expenditure budget	$ 242,719,867	
Maximum allowed (4% of 2025-2026 budget)		$ 9,708,795
General Fund fund balance subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance	$ 5,101,228	
Unassigned fund balance	9,708,649	
Total unrestricted fund balance		$ 14,809,877
Less:		
Appropriated fund balance	$ 3,750,000	
Encumbrances included in assigned fund balance	1,351,228	
Total adjustments		5,101,228
General Fund fund balance subject to Section 1318 of Real Property Tax Law		$ 9,708,649
Actual percentage		4.00%

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

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

Description	Original Appropriation	Revised Appropriation	Expenditures to Date: Prior Years	Expenditures to Date: Current Year	Expenditures to Date: Total	Unexpended Balance
Casey Middle School	$ 1,934,429	$ 1,934,429	$ -	$ 1,865,571	$ 1,865,571	$ 68,858
County Parkway Elementary	10,518,064	10,518,064	490,410	2,384,943	2,875,353	7,642,711
Dodge Elementary	10,440,138	10,837,211	490,410	608,170	1,098,580	9,738,631
East High School	1,232,741	1,232,741	487,994	199,140	687,134	545,607
Forest Elementary	10,305,332	10,305,332	490,413	859,702	1,350,115	8,955,217
Heim Elementary	10,458,593	10,458,593	495,860	2,511,029	3,006,889	7,451,704
Maple East Elementary	10,386,229	10,386,229	490,410	896,270	1,386,680	8,999,549
Maple West Elementary	10,778,221	10,778,221	490,410	2,399,138	2,889,548	7,888,673
Maple West Temp Classroom	2,366,550	2,366,550	-	1,164,519	1,164,519	1,202,031
Total	$ 68,420,297	$ 68,817,370	$ 3,435,907	$ 12,888,482	$ 16,324,389	$ 52,492,981

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

Capital assets, net of accumulated depreciation/amortization		$ 229,474,364
Add:		
Unspent debt proceeds		1,466,082
Deferred charge on refunding		3,923
Deduct:		
Serial bonds	$ (2,790,000)	
Premium on bonds payable	(153,608)	
Lease liability	(3,109,809)	
Accounts payable—Capital Projects Fund	(2,097,693)	(8,151,110)
Net investment in capital assets		$ 222,793,259

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet—
Nonmajor Governmental Funds
June 30, 2025

	School Lunch	Community Education	Student Activities	Debt Service	Total Nonmajor Funds
ASSETS					
Cash and cash equivalents	$ 1,950,732	$ 252,302	$ -	$ -	$ 2,203,034
Restricted cash and cash equivalents	-	341,925	529,401	10,271	881,597
Intergovernmental receivables	283,229	-	-	-	283,229
Due from other funds	3,522	-	-	125,113	128,635
Inventories	164,375	-	-	-	164,375
Total assets	$ 2,401,858	$ 594,227	$ 529,401	$ 135,384	$ 3,660,870
LIABILITIES					
Accounts payable	$ -	$ 2,247	$ -	$ -	$ 2,247
Accrued liabilities	32,391	11,508	-	-	43,899
Due to other funds	-	379	-	-	379
Due to retirement systems	46,948	13,085	-	-	60,033
Unearned revenue	-	341,925	-	-	341,925
Total liabilities	79,339	369,144	-	-	448,483
FUND BALANCES					
Nonspendable	164,375	-	-	-	164,375
Restricted	-	-	529,401	135,384	664,785
Assigned	2,158,144	225,083	-	-	2,383,227
Total fund balances	2,322,519	225,083	529,401	135,384	3,212,387
Total liabilities and fund balances	$ 2,401,858	$ 594,227	$ 529,401	$ 135,384	$ 3,660,870

WILLIAMSVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds

Year Ended June 30, 2025

	School Lunch	Community Education	Student Activities	Debt Service	Total Nonmajor Funds
REVENUES					
Charges for services	$ -	$ 726,582	$ -	$ -	$ 726,582
Use of money and property	85,375	12,612	-	120,752	218,739
Miscellaneous	41,292	-	-	-	41,292
State sources	54,124	-	-	-	54,124
Federal sources	1,750,870	-	-	-	1,750,870
Sales - food service	1,461,587	-	-	-	1,461,587
Student activity collections	-	-	1,141,034	-	1,141,034
Total revenues	3,393,248	739,194	1,141,034	120,752	5,394,228
EXPENDITURES					
Current:					
Instruction	-	615,184	-	-	615,184
Employee benefits	-	68,035	-	-	68,035
Debt service:					
Principal	-	-	-	1,050,000	1,050,000
Interest and other fiscal charges	-	-	-	120,581	120,581
Cost of sales (school lunch)	4,278,027	-	-	-	4,278,027
Student activities	-	-	1,082,309	-	1,082,309
Total expenditures	4,278,027	683,219	1,082,309	1,170,581	7,214,136
Excess (deficiency) of revenues over expenditures	(884,779)	55,975	58,725	(1,049,829)	(1,819,908)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	1,170,581	1,170,581
Total other financing sources	-	-	-	1,170,581	1,170,581
Net change in fund balance	(884,779)	55,975	58,725	120,752	(649,327)
Fund balances—beginning	3,207,298	169,108	470,676	14,632	3,861,714
Fund balances—ending	$ 2,322,519	$ 225,083	$ 529,401	$ 135,384	$ 3,212,387

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

The Board of Education
Williamsville Central School District, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamsville Central School District, New York (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Drescher & Malecki LLP

October 14, 2025