

PRELIMINARY OFFICIAL STATEMENT

**RENEWAL & NEW MONEY
SERIAL BONDS AND BOND ANTICIPATION NOTES**

Rating: See "Rating" herein

In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, under existing statutes, regulations, rulings, and court decisions, and assuming continuing compliance with certain tax certifications described herein, interest on the Bonds and Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), as amended. Bond Counsel is also of the opinion that the interest on the Bonds and Notes is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. We observe that interest on the Bonds and Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the code. Furthermore, Bond Counsel is of the opinion that, under existing statutes, interest on the Bonds and Notes is exempt from personal income taxes imposed by New York State and any political subdivision thereof. See "TAX EXEMPTION" herein.

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

**WEST SENECA CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK
(the "District")**

**\$31,695,000*
SCHOOL DISTRICT SERIAL BONDS, 2026
(the "Bonds")**

Date of Issue: June 25, 2026

Maturity Dates: June 15, 2027 – 2041

**\$6,400,000
BOND ANTICIPATION NOTES, 2026
(the "Notes")**

Date of Issue: June 25, 2026

Maturity Date: June 25, 2027

The Bonds and Notes will be general obligations of the District, and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and Notes and, unless paid from other sources, the Bonds and Notes are payable from *ad valorem* taxes which may be levied upon all the taxable real property within the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York [the "Tax Levy Limitation Law"]; see "TAX INFORMATION-Tax Levy Limitation Law," herein).

The Bonds and Notes will be issued as registered notes, and at the option of the purchaser, may be registered to the Depository Trust Company ("DTC" or the "Securities Depository"), or may be registered in the name of the purchaser.

To the extent that the Bonds are issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Bonds will be issued in registered form in denominations of \$5,000 or integral multiples thereof as may be determined by such successful bidder.

The Bonds are dated their date of delivery and will bear interest from that date at the annual rate or rates as specified by the purchaser of the Bonds, payable on June 15, 2027 and semi-annually thereafter on each June 15 and December 15 until maturity (or earlier redemption). The Bonds will mature on June 15 of each year starting in 2027, until maturity, as shown on the inside cover page hereof. The Bonds will be subject to optional redemption prior to maturity.

To the extent that the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof as may be determined by such successful bidder.

The Notes are dated June 25, 2026 and bear interest from that date until June 25, 2027, the maturity date, at the annual rate as specified by the purchaser of the Notes. The Notes are not subject to redemption prior to maturity.

Interest on the Bonds and the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Bonds and Notes are offered when, as and if issued and received by the purchaser and subject to the approval of the legality thereof by Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. It is anticipated that the Bonds and Notes will be available for delivery on or about June 25, 2026 in New York, New York (through the facilities of DTC) or as otherwise may be agreed upon between the District and the purchaser.

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF RULE 15c2-12 UNDER THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE BONDS AND NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE. UNLESS THE BONDS AND NOTES ARE PURCHASED FOR THE BUYER'S OWN ACCOUNT, AS PRINCIPAL FOR INVESTMENT AND NOT FOR RESALE, THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN DESIGNATED EVENTS, AS REQUIRED BY THE RULE. SEE "DISCLOSURE UNDERTAKING," HEREIN.

Dated: June 3, 2026

The Bonds will mature on June 15 in each year, as set forth below.

| <u>Year</u> | <u>Amount***</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP*</u> | <u>Year</u> | <u>Amount***</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>CUSIP*</u> |
|-------------|------------------|----------------------|--------------|---------------|-------------|------------------|----------------------|--------------|---------------|
| 2027 | \$1,650,000 | | | | 2035** | 2,150,000 | | | |
| 2028 | 1,770,000 | | | | 2036** | 2,215,000 | | | |
| 2029 | 1,815,000 | | | | 2037** | 2,285,000 | | | |
| 2030 | 1,865,000 | | | | 2038** | 2,360,000 | | | |
| 2031 | 1,910,000 | | | | 2039** | 2,440,000 | | | |
| 2032 | 1,975,000 | | | | 2040** | 2,525,000 | | | |
| 2033 | 2,030,000 | | | | 2041** | 2,620,000 | | | |
| 2034* | 2,085,000 | | | | | | | | |

* CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above.

** The Bonds maturing on or after June 15, 2034 are subject to redemption prior to maturity. See "THE BONDS AND THE NOTES - Optional Redemption" herein.

*** The aggregate principal amount of the Bonds and the principal maturities thereof are subject to adjustment, following their sale, pursuant to the terms of the accompanying Notice of Bond Sale, to achieve substantially level or declining annual debt service, and to permit the District to comply with applicable provisions of the Internal Revenue Code of 1986, as amended.

**WEST SENECA CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK**

Board of Education

- Edmund Bedient..... President
- Marla Greenberg Vice President
- Laura Sokol-Scott Board Member
- Lorene Barulich..... Board Member
- Jeremy Maloney..... Board Member
- Sarah Piwowarczyk..... Board Member
- Zack Armstong..... Board Member



- Dr. Lisa Krueger Superintendent of Schools
- Alissa Straus..... Business Official
- William Thiel Business Official
- Melissa Schutrum District Clerk
- Kyleen Young District Treasurer



BOND COUNSEL

**HODGSON RUSS LLP
Buffalo, New York**



MUNICIPAL ADVISOR



**Capital Markets Advisors, LLC
Long Island * Western New York
(716) 662-3910**

No dealer, broker, salesman or other person has been authorized by the District or the Municipal Advisor to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District from sources which are believed to be reliable, but it is not to be guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

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APPENDIX D – FORM OF DISCLOSURE UNDERTAKING

**OFFICIAL STATEMENT
RELATING TO THE ISSUANCE OF
WEST SENECA CENTRAL SCHOOL DISTRICT
ERIE COUNTY, NEW YORK**

\$31,695,000*
SCHOOL DISTRICT SERIAL BONDS, 2026
(the “Bonds”)

and

\$6,400,000
BOND ANTICIPATION NOTES, 2026
(the “Notes”)

This Official Statement (the "Official Statement"), which includes the cover page and appendices hereto, presents certain information relating to the West Seneca Central School District, Erie County, New York (the “District,” “County” and “State” respectively), in connection with the sale of the District’s \$31,695,000 School District Serial Bonds, 2026 (the “Bonds”) and \$6,400,000 Bond Anticipation Notes, 2026 (the “Notes”).

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

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

THE BONDS

Description

The Bonds will be issued as registered bonds and at the option of the purchaser, may be registered to the Depository Trust Company (“DTC” or the “Securities Depository”) or may be registered in the name of the purchaser.

If the Bonds will be issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Bonds. Individual purchasers will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds.

If the Bonds are registered in the name of the purchaser, principal of and interest on the Bonds will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Bonds will be issued in registered form in denominations of \$5,000 or integral multiples thereof.

The Bonds are dated their date of delivery and will bear interest from that date at the annual rate or rates as specified by the purchaser of the Bonds, payable on June 15, 2027, and semi-annually thereafter on each December 15 and June 15 until maturity (or earlier redemption). The Bonds will mature on June 15 of each year starting in 2027, as shown on the inside cover page hereof. The Bonds maturing on or after June 15, 2034 are subject to optional redemption prior to maturity. See “THE BONDS AND THE NOTES – Optional Redemption” herein.

*Preliminary subject to change.

The record date for payment of principal of and interest on the Bonds will be the last business day of the calendar month immediately preceding each interest payment date.

Authority for and Purposes of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law and the Education Law and pursuant to (1) a bond resolution that was duly adopted by the Board of Education of the District (the "Board") on January 8, 2019, following a positive vote of the qualified voters of the District on December 4, 2018, authorizing the issuance of obligations of the District in an aggregate maximum principal amount of \$74,630,000 for the financing of a \$75,500,000 District-wide Capital Improvements Project, 2018 consisting of the reconstruction and renovation of, and the construction of improvements, additions and upgrades to, various District buildings and facilities (and the sites thereof); (2) a bond resolution that was duly adopted by the Board of Education of the District (the "Board") on April 9, 2024 following a positive vote (to the "Essential Scope," or Prop. No. 1, with the non-essential Prop. No. 2 and 3 being defeated) of the qualified voters of the District on December 12, 2023, authorizing the issuance of obligations of the District in an aggregate maximum principal amount of \$21,000,000 for the financing of a District-wide "Essential Scope" Capital Improvements Project, 2023 consisting of the reconstruction and renovation of, and the construction of improvements, and upgrades to, various District buildings and facilities (and the sites thereof) (collectively, the "Project").

Proceeds of the Bonds in the amount of \$26,695,000, along with \$535,000 of available funds of the District, will be used to redeem and renew, in part, an outstanding bond anticipation note of the District that was issued on June 25, 2026 in the amount of \$27,230,000. The remaining proceeds of the Bonds in the amount of \$5,000,000 will provide additional new money under the April 9, 2024 bond resolution.

THE NOTES

Description of the Notes

The Notes will be issued as registered notes and, at the option of the purchaser, may be registered to the Depository Trust Company ("DTC" or the "Securities Depository") or may be registered in the name of the purchaser.

To the extent that the Notes are issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as Securities Depository for the Notes. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes.

If the Notes are registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. In such case, the Notes will be issued in registered form in denominations of \$5,000, or integral multiples thereof, may be determined by such successful bidder.

The Notes are dated June 25, 2026 and bear interest from that date until June 25, 2027, the maturity date, at the annual rate as specified by the purchaser of the Notes. The Notes are not subject to redemption prior to maturity.

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and Laws of the State, including the Local Finance Law and the Education Law and pursuant to a bond resolution that was duly adopted by the Board of Education of the District (the "Board") on October 7, 2025, following a positive vote of the qualified voters of the District on May 20, 2025, authorizing the issuance of up to \$6,400,000 of serial bonds to undertake a portion of the financing of a \$8,500,000 "2025 Auditorium Infrastructure Project" consisting of the reconstruction, rehabilitation and renovation, in part, and the construction of improvements and upgrades to various District buildings and facilities and the sites thereof (collectively, the "Project"). The proceeds of the Notes in the amount of \$6,400,000 will provide original new money for the project.

THE BONDS AND NOTES

Optional Redemption

The Notes will NOT be subject to optional redemption, in whole or in part, prior to maturity.

The Bonds maturing on or before June 15, 2034 are subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2034 will be subject to redemption prior to maturity, at the option of the Town, on June 15, 2033 or on any date thereafter, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected at random within a maturity), at par (100%), plus accrued interest to the date of redemption.

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected at random (by lot or in any other customary manner of selection as determined by the District Supervisor).

Written notice of any such redemption (the "Notice") shall be given to the registered owner(s) of the Bonds to be redeemed not more than sixty (60) days nor less than thirty (30) days prior to the date set for such redemption. Such Notice will be provided in accordance with the prevailing Depository Trust Company ("DTC") redemption notification procedure (currently, transmission of the Notice by e-mail to redemptionnotification@dtcc.com, with the date of such email transmission being deemed the date that the Notice was given). In the event that such procedure is modified by DTC, the Notice will be provided in accordance with any new DTC procedure or, in the absence of any DTC procedure, by mailing the Notice by first class mail to the registered owner(s) of the Bonds to be redeemed. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in the Notice, become due and payable, together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

The District may provide conditional notice of redemption, which may state that such redemption is conditioned upon the receipt of moneys and/or any other event. If any such condition is not satisfied, such redemption shall not occur, and the District is to give notice thereof, as soon as practicable, in the same manner, to the same person(s), as notice of such redemption was given. Additionally, any such redemption notice may be rescinded by the District no later than one business day prior to the date specified for redemption, by written notice by the District given in the same manner, to the same person(s), as notice of such redemption was given.

Nature of Obligation

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

The Bonds and Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy *ad valorem* taxes on all taxable real property in the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limitation Law); see "TAX INFORMATION-Tax Levy Limitation Law," herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. On June 24, 2011, the Tax Levy Limitation Law was adopted in the State. The Tax Levy Limitation Law established certain limitations on the power of local governments and school districts to increase the property tax levy beyond certain prescribed limits (without following certain prescribed procedures). The Tax Levy Limitation Law had its first application with respect to the District's budget for fiscal year 2012-2013. The Tax Levy Limitation Law does make certain allowances for the exclusion of tax levy increases associated with capital expenses by school districts. See "TAX INFORMATION-Tax Levy Limitation Law," herein. Also, certain special protective procedures and remedies available to holders of school district debt remain in place and are not affected by the Tax Levy Limitation Law. See "DISTRICT INDEBTEDNESS—Remedies Upon Default," herein.

Book-Entry-Only System

The following applies to the extent that the Bonds and Notes are issued in book-entry form. DTC, in New York, New York, will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each Note which bears the same rate of interest and CUSIP number, in the aggregate principal amount of such issue, and will be deposited with DTC. One fully registered note certificate will be issued and deposited with DTC for each maturity of the Bonds and Notes in the aggregate principal amount of the issue. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual

procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

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

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

Source: The Depository Trust Company

MARKET FACTORS

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

Inflation Reduction Act of 2022

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

The District is dependent to a substantial degree on financial assistance from the State in the form of State aid. No delay in payment of State aid for the remainder of the District's current fiscal year is presently anticipated although no assurance can be given that there will not be a delay in payment thereof. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in this year or future years, the District may be affected by such a delay, until sufficient State taxes have been received by the State to make State aid payments to the District.

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

CYBERSECURITY

The District, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the District faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage.

TAX EXEMPTION

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Bonds and Notes is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds and Notes to become subject to federal income taxation from the date of issuance of the Bonds and Notes. We observe that interest on the Bonds and Notes will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the code. Such opinion will state that interest on the Bonds and Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof (including the City of New York).

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

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

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

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

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

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Bonds and Notes under Code Section 3406, if such holder fails to provide the information required on Internal Revenue Service ("IRS") Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds and Notes from gross income for federal income tax purposes.

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

Notes. Prospective purchasers are encouraged to consult with their own legal and tax advisors with respect to these matters.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS AND NOTES

Absence of Litigation

Upon delivery of the Bonds and Notes, the District will furnish certificates, dated the date of delivery of the Bonds and Notes, to the effect that there is no controversy or litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds and Notes, or in any way contesting or affecting the validity of the Bonds and Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds and Notes. Additional certificates will state that there is no controversy or litigation of any nature now pending or threatened by or against the District wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the District or adversely affect the power of the District to levy, collect, and enforce the collection of taxes or other revenues for the payment of its Bonds and Notes, which has not been disclosed in this Official Statement.

Legal Matters

Legal matters incident to the authorization, issuance and sale of the Bonds and Notes will be subject to the final approving opinion of Hodgson Russ LLP, Bond Counsel. Such opinion will be available at the time of delivery of the Bonds and Notes and will be to the effect that the Bonds and Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit, and all the taxable real property within the District is subject to the levy of ad valorem real property taxes to pay the Bonds and Notes and interest thereon, without limitation as to rate or amount (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of the State). Such opinion shall also contain further statements to the effect that (a) the enforceability of rights or remedies with respect to the Bonds and Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and (b) such law firm has not been requested to examine or review and has not examined or reviewed the accuracy or sufficiency of the Official Statement, or any additional proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the District which has been or may have been furnished or disclosed to purchasers of the Bonds and Notes, and expresses no opinion with respect to such financial or other information, or the accuracy or sufficiency thereof.

Closing Certificates

Upon the delivery of the Bonds and Notes, the purchaser will be furnished with the following items: (i) a certificate of the President of the Board to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Bonds and Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the District since the date of this Official Statement to the date of issuance of the Bonds and Notes; and having attached thereto a copy of this Official Statement; (ii) a certificate signed by an officer of the District evidencing payment for the Bonds and Notes; (iii) a closing certificate evidencing the due execution of the Bonds and Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds and Notes or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds and Notes were authorized or affecting the validity of the Bonds and Notes thereunder, (b) neither the corporate existence or boundaries of the District nor the title of the signers to their respective offices is being contested, (c) no authority or proceedings for the issuance of the Bonds and Notes have been repealed, revoked or rescinded; and (iv) a non-arbitrage certificate and tax certificate executed by the President of the Board, as described under "TAX EXEMPTION" herein.

DISCLOSURE UNDERTAKING

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

Prior Disclosure History

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

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

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

RATINGS

Moody’s Investor’s Services, Inc. affirmed the District’s underlying credit rating of “Aa3” to the uninsured outstanding bonded indebtedness of the District, including the Bonds and a “MIG 1” on the Notes.

With respect to the ratings, such ratings reflect only the view of such organization, and an explanation of the significance of such rating may be obtained only from such rating agency. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody’s, circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the Bonds and Notes or the availability of a secondary market for the Bonds and Notes.

MISCELLANEOUS

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

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management’s beliefs as well as assumptions made by, and information currently available to, the District’s management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District files with the repositories. When used in District documents or oral presentation, the words “anticipate,” “estimate,” “expect,” “objective,” “projection,” “forecast,” “goal,” or similar words are intended to identify forward-looking statements.

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

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

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

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

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC has acted as registered Municipal Advisor to the District in connection with the offer and sale of the Bonds and Notes. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds and Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from William Thiel, the District's Business Official, 900 Mill Road, West Seneca, New York 14224, phone: (716) 677-3121, email: wthiel@wscschools.org or from the District's Municipal Advisor, Capital Markets Advisors, LLC (716) 662-3910.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the District and the original purchasers or holders of any of the Bonds and Notes.

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

**West Seneca Central School District
Erie County, New York**

By: Edmund Bedient
Edmund Bedient
President of the Board of Education

DATED: June 3, 2026

APPENDIX A

THE DISTRICT

General Information

The District, with an area of approximately 30 square miles and an estimated population of 46,500, is located immediately southeast of the City of Buffalo and east of the City of Lackawanna. Most of the Town of West Seneca and portions of the towns of Cheektowaga, Hamburg, and Orchard Park are contained within the District (collectively, the “Towns”). The District is suburban-residential in nature, with some light manufacturing and commercial development; residents find employment within the District as well as in the City of Buffalo and in the surrounding area. Air transportation is available at the Buffalo Niagara International Airport. Rail transportation is provided by Conrail and Amtrak. Highways traversing the District include the New York State Thruway, the Aurora Expressway (Route 400) and U.S. Route 20.

District Organization

Subject to the provisions of the State Constitution, the District operates pursuant to the Education Law, the Local Finance Law, other laws generally applicable to the District, and any special laws applicable to the District. Under such laws, there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the “Board”), which consists of seven members including the President and Vice President. Board members are elected for overlapping terms of three years. The administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by such Board, include the Superintendent of Schools, District Clerk, and District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools and the District Treasurer.

District Facilities

The District currently operates the following facilities:

TABLE 1
School Statistics

| <u>Name of School</u> | <u>Grades</u> | <u>Year of Construction</u> | <u>Year of Last Addition</u> | <u>State Rated Capacity</u> |
|--------------------------------------|----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Allendale Elementary | K-5 | 1954 | 2005 | 624 |
| Clinton Street Elementary | K-4 | 1967 | 2005 | 675 |
| Northwood Elementary | K-4 | 1970 | | 500 |
| Winchester-Potters ⁽¹⁾ | K-5 | 1967 | 2005 | 693 |
| Winchester Elementary ⁽²⁾ | | 1939 | 2005 | 416 |
| West Elementary | K-5 | 1973 | 1997 | 858 |
| East Middle | 5-8 | 1964 | 2005 | 1,356 |
| West Middle | 6-8 | 1958 | 2005 | 878 |
| East Senior High | 9-12 | 1970 | 2010 | 1,106 |
| West Senior High | 9-12 | 1950 | 2010 | 1,546 |
| Ebenezer Building ⁽³⁾ | | 1921 | 1997 | 40 |

⁽¹⁾ Effective September, 2021, Winchester-Potters returned to K-5 educational operations.

⁽²⁾ Winchester Elementary no longer houses District students and is leased to Erie 1 BOCES.

⁽³⁾ The Ebenezer Building currently is occupied by District support service departments.

Source: *District Officials*

Employees

There are approximately 1,197 persons employed by the District. The collective bargaining agents and the dates of expirations of the various bargaining agreements are as follows:

TABLE 2
Employees

| <u>Approximate No. of Employees</u> | <u>Union</u> | <u>Contract Expiration Date</u> |
|--|--|--|
| 624 | West Seneca Teachers Association | 6/30/2026 |
| 417 | CSEA Full time | 6/30/2029 |
| 110 | CSEA Part time | 6/30/2029 |
| 25 | West Seneca Administrators Association | 6/30/2029 |
| 14 | West Seneca Managers and Assistants | 6/30/2028 |
| 7 | West Seneca Supervisors and Directors | 6/30/2029 |

Source: District Officials

Employee Pension Benefits

All non-teaching and non-certified administrative employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York and Local Employees' Retirement System ("ERS").

Teachers and certified administrators are members of the New York State Teachers' Retirement System ("TRS"). Payments to the Retirement System are deducted from the District's State aid payments.

Both the ERS and the TRS are non-contributing with respect to members hired prior to July 1, 1976. The Retirement Systems are non-contributory with respect to members working ten or more years. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year's full-time service contribute 3% of their gross annual salary toward the cost of retirement programs.

The following table details the District's contractually required contributions to the ERS for the preceding four audited fiscal years, and the budgeted amounts for the fiscal years ending March 31, 2026 and March 31, 2027 (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 years ending March 31):

| <u>Fiscal Year End 3/31</u> | <u>ERS</u> |
|------------------------------------|-------------------|
| 2027 (Budget) | \$4,106,507 |
| 2026 (Budget) | 3,682,028 |
| 2025 | 3,202,635 |
| 2024 | 3,167,379 |
| 2023 | 2,870,784 |

Source: Audited Financial Statements and District Officials

The following table details the District's actual required contributions to the TRS for the preceding four audited fiscal years and the budgeted amount of the fiscal years ending June 30, 2026 and June 30, 2027:

| <u>Fiscal Year End 6/30</u> | <u>TRS</u> |
|------------------------------------|-------------------|
| 2027 (Budget) | \$5,028,809 |
| 2026 (Budget) | 5,553,640 |
| 2025 | 6,274,171 |
| 2024 | 6,049,740 |
| 2023 | 6,139,006 |

Source: Audited Financial Statements and District Officials

On December 10, 2009, former Governor Patterson signed into law pension reform legislation that will provide (according to a Division of the Budget analysis) more than \$35 billion in long-term savings to State taxpayers over the next thirty years. The legislation creates a new Tier V pension level, then most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age of which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38 percent for any civilian who retires prior to age 62.
- Requiring employees to continue contributing three percent of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from five years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15 percent of non-overtime wages.

Members of the NYS Teachers' Retirement System will have a separate Tier V benefit structure that will achieve equivalent savings as other civilian public employees. It includes:

- Raising the minimum age an individual can retire without penalty from 55 to 57 years.
- Contributing 3.5 percent of their annual wages to pension costs rather than 3.0 percent and continuing this increased contribution so long as they accumulate additional pension credits.
- Increasing the two percent multiplier threshold for final pension calculations from 20 to 25 years.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides, among other things, for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from three years to five years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contributions throughout employment.

In accordance with constitutional requirements, these new pension reforms would apply only to public employees hired in the future.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. Under the previous method, the District was unsure of how much it paid to the system until after its budget was implemented. Under the current method the contribution for a given fiscal year will be based on the value of the pension fund on the prior April 1 instead of the following April 1 so that the District will be able to more accurately include the cost of the contribution into its budget. The reform legislation also (i) required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible and (ii) moved the annual payment date for contributions from December 15th to February 1st, effective December 15, 2004.

The New York State ERS rate to 2024-25 was 15.2%. The 2025-26 ERS increased to 16.5%. The 2025-26 TRS rate is 9.6%. The 2026-27 ERS is estimated to be 17.6%. The 2026-27 TRS is estimated to be 8.24%.

Due to poor performance of the investment portfolio of the State Retirement System, New York State Comptroller Thomas DiNapoli has announced that the employer contribution rates for required pension contributions to the SRS will continue to increase. To help mitigate the impact of their ERS increases, legislation has been enacted that permits local governments and school districts to amortize a portion of such contributions. Under such legislation, local governments and school districts that choose to amortize a portion of their ERS contributions will be required to set aside and reserve funds with the SRS for certain future rate increases.

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO, which was adopted in 2010. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below. The plan, which was approved in former Governor Cuomo's 2016-17 budget would let districts contribute 14.13% of employee costs toward pensions. The District has not opted into the pension smoothing plan.

The TRS SCO deferral plan is available to school districts for seven years after enactment. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2019-20) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in

the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%. The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan.

Other Post-Employment Benefits

In June 2015, GASB released GASB Statement No. 75 (“GASB 75”), which was required to be implemented in the District’s 2017-18 fiscal year. GASB 75 replaces the requirements of GASB 45 and establishes new standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Under GASB 75, governments must report a liability on the face of the financial statements for the post-employment benefits (“OPEB”) that they provide; such liability can no longer be a footnote as was allowed under GASB 45.

The District is in compliance with the requirements of GASB 75 and it has been determined that the District does not have a liability.

Investment Policy/Permitted Investments

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the District is generally permitted to deposit moneys in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those bonds issued by the District; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board has adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

FINANCIAL FACTORS

Revenues

The District receives most of its revenue from a real property tax on all non-exempt real property situated within the District and State Aid. Total annual revenues from real property taxes account for 44.8% while annual revenues from State aid account for 44.8%.

Real Property Tax

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, and the amounts budgeted for the current and ensuing fiscal year.

TABLE 3
Property Taxes

| <u>Fiscal Year</u> <u>Ending June 30</u> | <u>Total</u> <u>Revenues</u> | <u>Real Property</u> <u>Tax Revenues</u> ⁽¹⁾ | <u>Real Property</u> <u>Tax Revenues to</u> <u>Total Revenues</u> |
|---|---|--|--|
| 2021 | \$125,851,159 | \$64,701,883 | 51.4% |
| 2022 | 133,812,448 | 65,790,851 | 49.2% |
| 2023 | 138,649,212 | 67,251,864 | 48.5% |
| 2024 | 151,765,176 | 68,961,863 | 45.4% |
| 2025 | 156,954,595 | 70,242,859 | 44.8% |
| 2026 (Budget) | 156,934,953 | 71,889,614 | 45.8% |
| 2027 (Budget) | 163,584,814 | 73,495,228 | 44.9% |

⁽¹⁾ Includes STAR aid.

Source: *District's Audited Financial Statements for the recent five years and the Adopted 2026 and 2027 Budget.*

State Aid

The District also receives a portion of its revenues in the form of State aid. However, there is no assurance that the State appropriation for State aid to school districts will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The following table sets forth total State aid revenues during the last five audited fiscal years and the amounts budgeted for the current and ensuing fiscal year.

TABLE 4
State Aid

| <u>Fiscal Year</u> <u>Ending June 30</u> | <u>Total</u> <u>Revenues</u> | <u>State Aid</u> | <u>State Aid to</u> <u>Total Revenues</u> |
|---|---|-------------------------|--|
| 2021 | \$125,851,159 | \$49,335,409 | 39.2% |
| 2022 | 133,812,448 | 53,411,421 | 39.9% |
| 2023 | 138,649,212 | 55,847,532 | 40.3% |
| 2024 | 151,765,176 | 66,801,606 | 44.0% |
| 2025 | 156,954,595 | 70,332,271 | 44.8% |
| 2026 (Budget) | 156,934,953 | 71,036,517 | 45.3% |
| 2027 (Budget) | 163,584,814 | 75,217,691 | 46.0% |

Source: *District's Audited Financial Statements for the recent five years and the Adopted 2026 and 2027 Budget.*

In addition to the amount of State Aid budgeted by the District in its 2025-26 fiscal years, the State has made payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR (see "STAR-School Tax Exemption") Program.

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

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* is scheduled to be heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights ("NYSER") v. State of New York* and a consolidated case on the right to a sound basic education. The NYSER complaint filed in the lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the "foundation aid" formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. In late 2021 a settlement was reached. The settlement required the State to make significant advancement in funding foundation aid in the 2022-2023 budget year, and to fully fund such aid by the 2023-2024 budget year. The State is on a path to honoring the settlement requirements. If it does not, the lawsuit can be revived.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorized the issuance of \$2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's allocation of funds is \$4,195,952.

While the increases in State aid following this case have been targeted to high-needs schools. Other schools did share in the overall increase of State aid. The District is unable to predict whether this pattern of distribution will continue beyond that which is included in later legislation dealing with foundation aid. Increased State aid for New York City schools and other high-needs schools may result in reductions in the future of State aid to certain school districts, including the District.

In any event, the outcome of this matter will not affect the validity of any obligations issued by the District, including the Bonds, nor the ability of the District to levy taxes on the taxable real property in the District to pay the Bonds and the interest thereon as the same shall become due and payable.

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. The State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the District's 2025-26 fiscal year. Should the District fail to receive monies expected from the State in the amounts and at the times expected, the District is permitted to issue revenue anticipation notes in anticipation of the receipt of delayed State aid.

Recent Events Affecting New York School Districts

School district fiscal year (2022-23): The Governor's Enacted budget provided \$31.5 billion in School Aid for the 2022-23 fiscal year, an increase of \$2.1 billion (7.2 percent) from \$29.1 billion 2021-22. Foundation Aid is increased by \$1.5 billion (7.7% increase). This is the second year of the Foundation Aid Formulation, a three-year phase-in of the restoration of the full Foundation Aid formula to finally fulfill the State's commitments from the Campaign for Fiscal Equity case from the early 2000s. The budget continued the expansion of full-day prekindergarten that will provide funding to 200 school districts with an increase of \$125 million from the 2022-23 fiscal year, and increase of 13%. The Budget also includes \$451 million increase in all other School Aid programs.

School district fiscal year (2023-24): The Governor's Enacted State budget provided \$34.5 billion in School Aid for the 2023-24 fiscal year, an increase of \$3.1 billion (10.0 percent). Foundation Aid is increased by \$2.7 billion (12.8 percent). This is the third year of the Foundation Aid Formulation, a three-year phase-in of the restoration of the full Foundation Aid formula to finally fulfill the State's commitments from the Campaign for Fiscal Equity case from the early 2000s. The budget continued the expansion of full-day prekindergarten that will provide funding to 200 school districts with an increase of \$1.2 million from the 2022-23 fiscal year. The total funding for the Universal Pre-Kindergarten included \$25 million in expansion grants supported by the American Rescue Plan Act.

School district fiscal year (2024-25): The Governor's Enacted State budget provided \$35.9 billion in School Aid, an increase of \$1.3 billion, including \$24.9 billion in Foundation Aid for the 2024-25 fiscal year. Governor Hochul is lowering the inflation factor from 3.4 percent to 2.8 percent in the formula to right-size funding for the 2024-25

school year. The Budget also commissioned a Rockefeller Institute study to examine the Foundation Aid formula to prepare for changes next year.

On January 21, 2025, Governor Hochul released the 2025 - 2026 Executive Budget. The Executive Budget provides for a total of \$37.4 billion in school aid, with \$26.4 billion being in foundation aid (a 5.9% increase from last year), \$3.3 billion in building aid, \$2.7 billion in transportation aid, and \$1.2 billion in prekindergarten aid (the total of building aid, transportation aid, and prekindergarten aid accounting for an aggregate increase of 2.2% since last year). A final budget was passed by New York State on May 8, 2025. The enacted budget includes a \$37.6 billion increase in total school aid. The enacted budget's foundation aid increase is nearly identical to the Executive Budget's; however, due to an adjustment in the aid calculation formula (as the formula and its ensuing calculations pertain to districts with large amounts of English language learners) some districts will see a slight increase or decrease in their final Foundation Aid amount.

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

School district fiscal year (2026-27): The Governor's Enacted State budget provided \$39.3 billion in School Aid, an increase of \$1.6 billion, including \$27.1 billion in Foundation Aid for the 2026-27 fiscal year. The growth in Foundation Aid fully funds the current formula and ensures that each school district receives at least one percent year to year increase.

The State proposed budget for the 2026-27 fiscal year provides \$75.52 million of State Aid to the District, a 2.70% increase from the District's 2025-26 fiscal year.

The District presently anticipates an increase in its State Aid related to Foundation Aid for its 2026-27 fiscal year in an amount of \$501,128.

It should also be noted that the District receives federal aid for certain programs. In its last audited fiscal year, the District received \$ 1,098,029 in such direct federal aid. It is not possible to predict whether such aid will continue in the future, or if continued, whether it will be funded at present levels.

The District is dependent to a substantial degree on financial assistance from the State in the form of State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in this year or future years, the District may be affected by such a delay, until sufficient State taxes have been received by the State to make State aid payments to the District.

The District cannot predict at this time whether there will be any reductions in and/or delays in the receipt of State aid during the District's 2025-26 fiscal year. The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing.

Independent Audit

The District retains independent certified public accountants to audit its financial statements. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State.

Fund Structure and Accounts

The General Fund is the general operating fund for the District which is used to account for substantially all financial resources except those accounted for in another fund. The General Fund accounts for substantially all revenues and expenditures of the District. Special Revenue Funds include: the Lunch Fund and the Special Aid

Fund. A Capital Projects Fund is used to account for and report financial resources used to construct or acquire capital assets.

Expendable trust funds and funds held in an agency capacity are accounted for in the Trust and Agency Fund. The District also maintains account groups for its General Fixed Asset Accounts and General Long-Term Debt Accounts in order to maintain accountability for its fixed assets and long-term debt, respectively.

Basis of Accounting

The District's governmental funds are accounted for on a modified accrual basis whereby revenues, other than those susceptible ("measurable" and "available" to finance current operations) to accrual, are recorded when received in cash. Revenues susceptible to accrual include real property taxes and State aid. The District generally records expenditures on the accrual basis when fund liabilities are incurred, except for interest on general obligation debt, which is recorded when it becomes due. Pension costs billed to the District by the State are recorded as expenditures in full in the fiscal year incurred. The estimated unbilled portion of these pension costs for governmental funds are shown as a liability on the balance sheet of the general long-term debt accounts group. Accumulated vacation and sick leave are also accounted for in the general long-term debt account group. Inventories are generally not recorded but expensed at the time of purchase; food and supplies in school lunch are inventoried and carried at values which approximate market. Fixed assets are recorded at replacement costs as determined by appraisal; there is no provision for depreciation expense.

Budgetary Procedure

Pursuant to the State Education Law, the Board annually prepares or causes to be prepared a tentative budget of the District for the ensuing year. The Board causes such budget to be published four times within seven weeks prior to the annual meeting which is held the third Tuesday in May. At the annual meeting a public hearing is held and after that, a referendum upon the question of the budget is held in which the District residents who are qualified to vote may participate. If the qualified voters at the annual or district meeting approve the tentative budget, the Board, by resolution, shall adopt the tentative budget as the budget of the District for the following fiscal year. If the budget is not so approved, the Board may make changes to the budget and resubmit it, as revised, to the voters for adoption. Alternatively, the Board may, by resolution, adopt an "austerity" or "contingency" budget for the following fiscal year. Such budget must provide a tax for ordinary contingent expenses of the District, which includes debt service, in a like manner as if the same had been approved by the qualified voters.

On May 19, 2026, the qualified voters of the District approved the District's budget for the 2026-27 fiscal year.

TAX INFORMATION

Real Property Tax Assessment and Rates

The District derives its power to levy an *ad valorem* real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the towns listed in Table 5 below. Assessment valuations are determined by the Town Assessor and the State Board of Real Property Services, which is responsible for certain utility and railroad property. In addition, the State Board of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District is not subject to constitutional real property taxing limitations.

TABLE 5
Assessed and Full Valuations

| <u>Roll Year:</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------|
| <u>Tax Year End June 30:</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> |
| Assessed Valuations: | | | | | | |
| West Seneca | \$1,150,534,739 | \$1,161,912,115 | \$1,174,203,210 | 1,182,392,380 | 1,191,316,848 | |
| Cheektowaga | 639,507,597 | 725,681,353 | 720,901,472 | 720,276,641 | 725,438,802 | |
| Orchard Park | 60,837,157 | 61,308,986 | 61,347,767 | 61,848,572 | 62,133,216 | |
| Hamburg | <u>21,431,487</u> | <u>21,477,997</u> | <u>20,992,208</u> | <u>20,845,218</u> | <u>20,804,008</u> | |
| Total | <u>\$1,872,310,980</u> | <u>\$1,970,380,451</u> | <u>\$1,977,444,657</u> | <u>\$1,985,362,811</u> | <u>\$1,999,692,874</u> | |
| State Equalization Rates: | | | | | | |
| West Seneca | 34.00% | 30.00% | 26.00% | 25.00% | 24.00% | |
| Cheektowaga | 100.00% | 100.00% | 91.00% | 80.00% | 75.00% | |
| Orchard Park | 43.00% | 39.00% | 34.00% | 32.00% | 30.00% | |
| Hamburg | 41.00% | 37.00% | 32.00% | 30.50% | 29.00% | |
| Full Valuations: | | | | | | |
| West Seneca | \$3,383,925,703 | \$3,873,040,383 | \$4,516,166,192 | \$4,729,569,520 | \$4,963,820,200 | |
| Cheektowaga | 639,507,597 | 725,681,353 | 792,199,420 | 900,345,801 | 967,251,736 | |
| Orchard Park | 141,481,760 | 157,202,528 | 180,434,609 | 193,276,788 | 207,110,720 | |
| Hamburg | <u>52,271,920</u> | <u>58,048,641</u> | <u>65,600,650</u> | <u>68,344,977</u> | <u>71,737,959</u> | |
| Total | <u>\$4,217,186,980</u> | <u>\$4,813,972,905</u> | <u>\$5,554,400,871</u> | <u>\$5,891,537,086</u> | <u>\$6,209,920,615</u> | |

Source: District Officials

TABLE 6
Tax Levy and Rates

| <u>Tax Year End June 30:</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Tax Levy | \$64,326,002 | \$65,500,000 | \$66,970,883 | \$68,631,182 | \$69,966,619 | \$71,889,614 |
| Amount Collected | 62,976,088 | 64,277,544 | 65,481,453 | 66,913,567 | 68,342,765 | 70,263,674 |
| Returned to County | 1,349,914 | 1,222,456 | 1,489,430 | 1,697,064 | 1,623,854 | 1,625,940 |
| West Seneca | \$45.75 | \$45.68 | \$46.37 | \$47.52 | \$47.50 | \$48.24 |
| Cheektowaga | 19.84 | 15.53 | 13.91 | 13.58 | 14.84 | 15.44 |
| Orchard Park | 35.42 | 36.12 | 35.67 | 36.34 | 37.11 | 38.59 |
| Hamburg | 37.01 | 37.89 | 37.6 | 38.61 | 38.94 | 39.20 |

Source: District Officials

The State Comptroller's Fiscal Stress Monitoring System

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

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

The most current applicable report of the State Comptroller designates the District as "No Designation" (see <https://www1.osc.state.ny.us/localgov/fiscalmonitoring/fsms.cfm>)

New York State Comptroller's Audit

Many school districts throughout the state can be subject to an audit of the New York State Office of the Comptroller (“OSC”) pursuant to Article V, Section 1 of the State Constitution and the State Comptroller’s authority as set forth in Article 3 of the New York State General Municipal Law.

On March 6, 2020, OSC, Division of Local Government and School Accountability released an audit of the District to determine whether the Board and District officials provided adequate oversight to help ensure that community education program fees were properly accounted for. The audit found that District officials did not review or reconcile electronic payments with cash receipts records to verify that all amounts were collected and remitted to the District. As a result, the District did not initially receive more than \$5,500 in fees recorded as collected but not remitted by a vendor in January 2019. In January 2020, the vendor reimbursed the District for the lost revenue. The Board did not adopt written enforcement policies for overdue accounts and the Coordinator did not ensure all overdue accounts were invoiced in a timely manner.

The OSC recommended that the District adopt written policies and procedures for reconciling program fees, overseeing third-party vendors and collecting unpaid before and after school program fees; review and reconcile electronic payments collected by third-party vendors with cash receipts records; and invoice overdue accounts for unpaid before and after school program fees in a timely manner. District officials agreed with such recommendations and indicated they planned to initiate corrective action.

The link to the OSC report is as follows:

<https://www.osc.state.ny.us/localgov/audits/schools/2020/west-seneca-2019-241.pdf>

The OSC has not conducted any other audits of the District in the past five years.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. See, however, the discussion immediately below under the sub-heading “Tax Levy Limitation Law.”

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

On June 25, 2015, Chapter 20 of the 2015 Laws of New York (“Chapter 20”) amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016 to June 15, 2020. Chapter 20 also affects the calculation of tax base growth factor and exclusions available to school districts, and introduces a new real property tax rebate, as outlined below. On April 12, 2019, the enacted budget legislation made the Tax Levy Limitation Law permanent.

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

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments are permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. The newly enacted Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax exempt real property.

Beginning with the 2012-13 fiscal year, school districts have had to submit their proposed tax levies to the voters each year. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a budget by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation only require approval by at least a simple majority of those voting. In the event that a budget is defeated and not re-proposed, or in the event of two budget vote defeats in the same year, a school district may not levy taxes in an amount greater than the amount levied in the most recent year when a budget was approved. A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

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

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures" are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law." The State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the year 2020-21 school year, to adjust the exclusion to reflect a school District's share of capital expenditures related to projects funded through a board of cooperative education services ("BOCES"). The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy," and this is an exclusion from the tax levy limitation (except in a case when the District would be prohibited from raising the tax levy amount at all due to budget vote results, as explained above).

Tax Collection Procedure

Real property taxes for school purposes are levied by the District but are collected by the respective Towns. Such taxes may be paid without penalty on or before October 15. Delinquent school tax payments are assessed penalties in accordance with an ascending scale which starts at 5% if paid between October 16 and October 31 and 6% if paid between November 1 and November 30.

On or about December 1, uncollected taxes are turned over to the Erie County Commissioner of Finance and the County reimburses the District in full for the uncollected amount no later than April 1 of the District's fiscal year.

The County has the power to enforce the collection of real property taxes and to issue and sell tax anticipation notes in order to finance any uncollected taxes returned to the District.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

For the 2026-27 school levy year, homeowners subject to certain household income limitations are eligible for an enhanced exemption and basic exemption as follows:

| <u>Municipality:</u> | <u>Enhanced Exemption</u> | <u>Basic Exemption</u> |
|----------------------|---------------------------|------------------------|
| Town of West Seneca | \$21,240 | \$7,200 |
| Town of Cheektowaga | 66,380 | 22,500 |
| Town of Hamburg | 25,670 | 8,700 |
| Town of Orchard Park | 26,550 | 9,000 |

Date Certified: 04/10/2026

The enhanced or basic STAR exemption is the amount that an assessment will be reduced prior to the levy of school taxes. For example, if a home is assessed at \$150,000 and the enhanced STAR exemption for a municipality is \$50,000, the school taxes on the property would be paid on a taxable assessment of \$100,000 (\$150,000 - \$50,000 = \$100,000).

Since the 2011-12 school tax bills, there has been a 2% limit on STAR savings increases, the savings results from the Basic or Enhanced STAR exemptions are limited to a 2% increase over the prior year. When school district initially calculates their tax bills, for each municipal segment they will compare the amount of STAR savings to the maximum. If the STAR savings exceeded the maximum, the school district will use the maximum when calculating tax bills for the segment.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. While the dollar benefit to eligible taxpayers did not change, Chapter 60 prohibited new STAR exemptions from being granted to homeowners who took title after the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year. Instead, a taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill.

The 2019-20 State Budget made several changes to the STAR program, which were intended to encourage homeowners to switch from the STAR exemption to the STAR credit. For those homeowners with incomes over \$250,000, the STAR benefit was capped at the 2019 fiscal year level, rather than allowed to grow by up to 2% annually under the STAR credit program. Those homeowners with incomes between \$250,000 and \$500,000 are able to convert to the STAR credit program to maintain the full STAR benefit.

The maximum savings for each of the municipalities within the District for the 2026-27 fiscal year are as follows:

| <u>Municipality:</u> | <u>Basic Maximum Savings</u> | <u>Enhanced Maximum Savings</u> |
|----------------------|------------------------------|---------------------------------|
| Town of West Seneca | \$362 | \$1,037 |
| Town of Cheektowaga | 375 | 1,063 |
| Town of Hamburg | 365 | 1,047 |
| Town of Orchard Park | 370 | 1,060 |

Updated: 03/23/2026

The District expects to receive full reimbursement of such exempt taxes from the State during the current fiscal year.

Largest Taxpayers for the 2025-26 Fiscal Year

The following table presents the full valuations of ten of the District's largest taxpayers for the 2025-26 fiscal year.

TABLE 7
Selected Listing of Large Taxable Properties

| <u>Name</u> | <u>Type of Business</u> | <u>Estimated Assessed Valuation</u> | <u>Total Valuation</u> ⁽⁴⁾ |
|------------------------------------|--------------------------------|--|--|
| National Fuel Gas Distribution (1) | Natural Gas Utility | \$72,593,074 | 3.63% |
| NYSEG | Utility | 56,126,056 | 2.81% |
| National Grid Total (3) | Electrical Utility | 40,359,716 | 2.02% |
| Young Development | Apartments, Retail, Office | 40,067,400 | 2.00% |
| Idylwood LLC (2) | Apartments, Retail, Office | 33,896,875 | 1.70% |
| Campofelice, Frank | Investor, Developer | 32,791,960 | 1.64% |
| Walden Properties | Apartments/Condos | 32,791,960 | 1.64% |
| Benderson Development | Apartments, Retail, Office | 30,633,234 | 1.53% |
| Burke Development | Apartments, Retail, Office | 27,348,800 | 1.37% |
| Paladino/Ellicott Group | Apartments, Retail, Office | 25,786,388 | 1.29% |
| | | <u>\$392,395,463</u> | <u>18.47%</u> |

(1) Located in more than one Town.

(2) Located in the Town of Cheektowaga.

(3) Located in the Town of West Seneca.

(4) The District's total assessed valuation for the fiscal year ended June 30, 2026, is \$1,999,692,874.

DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations include the following, in summary form, and are generally applicable to the District.

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

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

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

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "Nature of Obligation," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. However, such finance board may delegate the power to sell the bonds to the President of the Board, the chief fiscal officer of the District, pursuant to the Local Finance Law. The District is not permitted to spend in excess of \$100,000 with respect to certain school building construction projects, until the plans and specification for such project have been approved by the Commissioner of Education of the State.

The Local Finance Law also provides a 20-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, serves as a bar to most legal challenges to the validity of obligations authorized by such bond resolution.

The Board, as the finance board of the District, has the power to enact tax anticipation note resolutions. Such resolutions may authorize the issuance of tax anticipation notes in an aggregate principal amount necessary to fund anticipated cash flow deficits but in no event exceeding the amount of real property taxes levied or to be levied by the District, less any tax anticipation notes previously issued and less the amount of such taxes previously received by the District.

Debt Limit

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

Statutory Debt Limit and Net Indebtedness

The debt limit of the District is \$620,992,061 as of June 3, 2026. This is calculated by taking 10% of the current full value of taxable real estate within the District.

TABLE 8
Statutory Debt Limit and Net Indebtedness
Computation of Debt Limit as of June 3, 2026

| <u>Town</u> | <u>Assessed Valuation</u> | <u>State Equalization Rate</u> | <u>Full Valuation</u> |
|--------------|---------------------------|--------------------------------|------------------------|
| West Seneca | \$1,191,316,848 | 24.00% | \$4,963,820,200 |
| Cheektowaga | 725,438,802 | 75.00% | 967,251,736 |
| Orchard Park | 62,133,216 | 30.00% | 207,110,720 |
| Hamburg | 20,804,008 | 29.00% | 71,737,959 |
| | | | <u>\$6,209,920,615</u> |

Calculation of Total Net Indebtedness

| | |
|------------------------------------|----------------------|
| Debt Limit: 10% of Full Valuation | <u>\$620,992,061</u> |
| Inclusions: | |
| Serial Bonds | \$51,085,000 |
| Bond Anticipation Notes | <u>27,230,000</u> |
| Total Gross Indebtedness | \$78,315,000 |
| Less: | |
| Building Aid ⁽¹⁾ | <u>0</u> |
| Total Net Indebtedness | <u>\$78,315,000</u> |
| Net Contracting Margin | <u>\$542,677,061</u> |
| Percentage of Debt Limit Exhausted | <u>12.61%</u> |

⁽¹⁾ In prior years the District received State debt service building aid in a calculated amount of approximately 73.4% of its outstanding bonded indebtedness. Given the “assumed amortization” of State building aid as provided in Chapter 383 of the Laws of 2001, no assurance can be given regarding the direct or indirect effect that “assumed amortization” will have on the net indebtedness of the District, or the timing or amount of such Building aid in connection with school facilities financed with the proceeds of the issuance of bonds or notes. See also “State Aid” herein.

Source: District Officials

Remedies Upon Default

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State of New York (the "State") and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the

State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section SFL.

Under current law, provision is made for contract creditors (including the holders of the Bonds) of the District to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation servicing the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of current funds or the proceeds of a tax levy.

In recent times, certain events and legislation affecting remedies on default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in municipalities of the State require the exercise by the State of its emergency and police powers to assure the continuation of essential public services.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for such indebtedness."

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

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

Bond Anticipation Notes

Following the issuance of the Bonds and Notes, the District will have \$6,400,000 of bond anticipation notes maturing on June 25, 2027.

Tax and Revenue Anticipation Notes

The District currently has no tax or revenue anticipation notes outstanding.

Authorized but Unissued Indebtedness

On December 12, 2023, the qualified voters of the District authorized a \$23.5 million District-wide Capital Improvements Project and the expenditure toward the Project of \$2,500,000 of available District Funds. Following the issuance of the Bonds, the District has no authorized but unissued indebtedness for the Project.

On May 19, 2026, the qualified voters of the District authorized a \$80,158,847 million District-wide Capital Improvements Project and the expenditure toward the Project of \$4,000,000 of available District Funds. The District has not borrowed against this authorization.

Trend of Outstanding Indebtedness

The following table provides information relating to direct capital outstanding indebtedness for the District's last five fiscal years ending June 30th.

TABLE 9
Outstanding Long-Term Bond Indebtedness

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Serial Bonds | \$39,615,000 | \$46,560,000 | \$61,550,000 | \$57,720,000 | \$52,705,000 |
| Bond Anticipation Notes | <u>0</u> | <u>0</u> | <u>0</u> | <u>11,500,000</u> | <u>27,230,000</u> |
| Total: | <u>\$39,615,000</u> | <u>\$46,560,000</u> | <u>\$61,550,000</u> | <u>\$69,220,000</u> | <u>\$79,935,000</u> |

Other Long-Term Obligations

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

Overlapping and Underlying Debt

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total values. The following table presents the amount of overlapping and underlying debt and the District's share of this debt. Authorized but unissued debt has not been included.

TABLE 10
Statement of Direct and Overlapping Indebtedness

| <u>Overlapping Units</u> | <u>Date of Report</u> | <u>Net Indebtedness</u> | <u>Percentage Applicable</u> | <u>Applicable Net Indebtedness</u> |
|-------------------------------|-----------------------|-------------------------|------------------------------|------------------------------------|
| Erie County | 05/31/2025 | \$385,571,924 | 5.65% | \$21,784,814 |
| Town of West Seneca | 01/14/2026 | 51,079,000 | 90.82% | 46,389,948 |
| Town of Cheektowaga | 06/25/2025 | 44,550,000 | 9.88% | 4,401,540 |
| Town of Orchard Park | 07/29/2025 | 36,799,000 | 3.65% | 1,343,164 |
| Town of Hamburg | 03/24/2026 | 10,720,000 | 0.89% | <u>95,408</u> |
| Net Overlapping Debt | | | | \$74,014,873 |
| Net Direct Debt | | | | <u>\$78,315,000</u> |
| Net Direct & Overlapping Debt | | | | <u>\$152,329,873</u> |

Source: Annual Reports of the respective units for the most recently completed fiscal year on file with the Office of the State Comptroller, local officials or more recently published official statements.

Debt Ratios

The following table presents certain debt ratios relating to the District's direct and overlapping indebtedness.

TABLE 11
Debt Ratios

| | <u>Amount</u> | <u>Debt Per Capita</u> ⁽¹⁾ | <u>Debt to Full Value</u> ⁽²⁾ |
|---------------------------------|---------------|---------------------------------------|--|
| Net Direct Debt | \$78,315,000 | \$1,684 | 1.26% |
| Net Direct and Overlapping Debt | \$152,329,873 | \$3,276 | 2.45% |

⁽¹⁾ The population of the District is estimated by District officials to be approximately 46,500.

⁽²⁾ The District's full value of taxable real property for fiscal year 2025-26 \$6,209,920,615.

Debt Service Schedule

The following table shows the debt service requirements on the District's outstanding bonded indebtedness for the fiscal years ending June 30 (as of June 3, 2026).

TABLE 12
Annual Maturity Schedule

| <u>FYE 6/30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------|---------------------|---------------------|---------------------|
| 2026 | \$3,440,000 | \$899,050 | \$4,339,050 |
| 2027 | 4,855,000 | 1,667,250 | 6,522,250 |
| 2028 | 4,520,000 | 1,463,225 | 5,983,225 |
| 2029 | 3,930,000 | 1,283,800 | 5,213,800 |
| 2030 | 4,095,000 | 1,119,300 | 5,214,300 |
| 2031 | 4,245,000 | 967,300 | 5,212,300 |
| 2032 | 4,400,000 | 825,150 | 5,225,150 |
| 2033 | 4,535,000 | 693,650 | 5,228,650 |
| 2034 | 4,670,000 | 557,650 | 5,227,650 |
| 2035 | 4,805,000 | 417,100 | 5,222,100 |
| 2036 | 3,260,000 | 289,000 | 3,549,000 |
| 2037 | 2,630,000 | 171,400 | 2,801,400 |
| 2038 | <u>1,700,000</u> | <u>68,000</u> | <u>1,768,000</u> |
| | <u>\$51,085,000</u> | <u>\$10,421,875</u> | <u>\$61,506,875</u> |

ECONOMIC AND DEMOGRAPHIC DATA

School Enrollment Trends

The following table presents the past and projected school enrollment statistics for the District.

TABLE 13
School Enrollment Trends

| <u>Fiscal Year:</u> | <u>Actual District Enrollment</u> | <u>FYE June 30:</u> | <u>Estimated Enrollment</u> |
|---------------------|-----------------------------------|---------------------|-----------------------------|
| 2023-24 | 5,957 | 2026-27 | 5,745 |
| 2024-25 | 5,885 | 2027-28 | 5,700 |
| 2025-26 | 5,815 | 2028-29 | 5,655 |

Source: District official

Population

The District estimates its population to be approximately 46,500. The following table presents population trends for the Town of West Seneca, the County and the State, based on recent census data. Data provided in the following table is not necessarily representative of the District.

TABLE 14
Population Trend

| | <u>2010</u> | <u>2020</u> | <u>Percentage Change</u> |
|--------|-------------|-------------|--------------------------|
| Town | 44,711 | 45,500 | 1.8% |
| County | 919,040 | 954,236 | 3.8% |
| State | 19,378,102 | 20,201,249 | 4.3% |

Source: New York State Department of Commerce; New York State Department of Economic Development.

Employment and Unemployment

Employment and unemployment data are not compiled for the District or the Towns. The following tables provide information concerning employment and unemployment in the Town of West Seneca, the County and the State. Data provided in the following tables is not necessarily representative of the District.

TABLE 15
Civilian Labor Force
(Thousands)

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--------|-------------|-------------|-------------|-------------|-------------|
| Town | 22.0 | 22.5 | 22.8 | 22.6 | 22.6 |
| County | 432.9 | 442.6 | 448.6 | 443.8 | 445.0 |
| State | 8,914.3 | 9,266.1 | 9,452.5 | 9,514.5 | 9,575.2 |

Source: *New York State Department Labor, Bureau of Labor Statistics.*

TABLE 16
Yearly Average Unemployment Rates

| <u>Year</u> | <u>Town</u> | <u>County</u> | <u>State</u> |
|-------------|-------------|---------------|--------------|
| 2021 | 4.9% | 5.3% | 7.1% |
| 2022 | 3.2% | 3.5% | 4.3% |
| 2023 | 3.1% | 3.5% | 4.0% |
| 2024 | 3.4% | 3.8% | 4.2% |
| 2025 | 3.6% | 4.0% | 4.3% |

Source: *New York State Department Labor, Bureau of Labor Statistics. Information not seasonally adjusted.*

TABLE 17
Monthly Unemployment Rates

| <u>Month</u> | <u>Town</u> | <u>County</u> | <u>State</u> |
|--------------|-------------|---------------|--------------|
| April 2025 | 3.1% | 3.4% | 3.8% |
| May | 2.8% | 3.4% | 3.8% |
| June | 3.2% | 3.6% | 4.1% |
| July | 3.7% | 4.2% | 4.8% |
| August | 3.7% | 4.3% | 4.9% |
| September | 3.5% | 4.0% | 4.7% |
| October | NA | NA | NA |
| November | 3.6% | 3.8% | 4.4% |
| December | 3.6% | 3.9% | 4.3% |
| January 2026 | 4.3% | 4.5% | 4.7% |
| February | 4.8% | 5.0% | 5.2% |
| March | 4.2% | 4.4% | 4.4% |

Source: *New York State Department of Labor, Bureau of Labor Statistics. Information not seasonally adjusted.*

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District after consultations with its attorneys, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or action pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

Litigation surrounds a number of injury/accident cases, and several student vs student cases where bullying/sexual harassment is alleged.

For our annual audit, the law firms did not indicate any would rise to the level of impacting financial condition.

END OF APPENDIX A

APPENDIX B

**SUMMARY OF FINANCIAL
STATEMENTS AND BUDGETS**

WEST SENECA CENTRAL SCHOOL DISTRICT
Balance Sheet
General Fund
As of Fiscal Year Ended June 30

| | <u>2024</u> | <u>2025</u> |
|---|----------------------------|----------------------------|
| ASSETS: | | |
| Cash and Cash Equivalents | \$6,409,675 | \$7,367,803 |
| Restricted Cash & Cash Equivalents | 22,352,052 | 22,679,963 |
| Receivables | 213,526 | 218,382 |
| Intergovernmental Receivables | 14,385,705 | 15,212,587 |
| Due from other funds | 1,186,371 | 1,045,175 |
| Prepaid Items | <u>394,900</u> | <u>475,451</u> |
| Total Assets: | <u><u>\$44,942,229</u></u> | <u><u>\$46,999,361</u></u> |
| LIABILITIES AND FUND EQUITY: | | |
| Accounts Payable | \$1,417,101 | \$1,336,718 |
| Accrued Liabilities | 2,686,143 | 3,239,951 |
| Intergovernmental payable | 374,875 | 296,694 |
| Due to other funds | 0 | 1,735,831 |
| Due to Retirement System | 4,756,266 | 4,779,765 |
| Unearned Revenue | <u>110,160</u> | <u>95,628</u> |
| Total Liabilities: | <u><u>\$9,344,545</u></u> | <u><u>\$11,484,587</u></u> |
| DEFERRED INFLOWS OF RESOURCES: | | |
| Deferred inflow - relating to leases | <u>0</u> | <u>0</u> |
| Total deferred inflows | <u>0</u> | <u>0</u> |
| FUND BALANCES: | | |
| Nonspendable | \$394,900 | \$475,451 |
| Restricted | 22,241,892 | 22,584,335 |
| Assigned | 6,720,069 | 5,955,169 |
| Unassigned | <u>6,240,823</u> | <u>6,499,819</u> |
| Total Fund Equity: | <u><u>35,597,684</u></u> | <u><u>35,514,774</u></u> |
| Total Liabilities, Deferred Inflows and Fund Balances: | <u><u>\$44,942,229</u></u> | <u><u>\$46,999,361</u></u> |

Source: Compiled from prior years' audited financial reports although this statement was not subject to audit.

WEST SENECA CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Fiscal Year Ended June 30

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | |
| Real Property Taxes | \$64,701,883 | \$65,790,851 | \$67,251,864 | \$68,961,863 | \$70,242,859 |
| Non-Property Taxes | 8,213,383 | 9,022,906 | 9,885,202 | 9,660,948 | 10,199,056 |
| Charges for Services | 650,324 | 907,679 | 1,044,987 | 1,270,759 | 1,267,203 |
| Use of Money and Property | 467,186 | 670,372 | 1,972,663 | 2,403,833 | 2,186,706 |
| Sale of Property & Comp. For Loss | 6,053 | 193,819 | 8,274 | 235,794 | 51,889 |
| Miscellaneous | 930,029 | 1,921,786 | 1,337,644 | 931,780 | 1,576,582 |
| State Sources | 49,335,409 | 53,411,421 | 55,847,532 | 66,801,606 | 70,332,271 |
| Federal Sources | 1,546,892 | 1,893,614 | 1,301,046 | 1,498,593 | 1,098,029 |
| Total Revenues: | <u>125,851,159</u> | <u>133,812,448</u> | <u>138,649,212</u> | <u>151,765,176</u> | <u>156,954,595</u> |
| Expenditures: | | | | | |
| General Support | 12,121,172 | 12,204,083 | 13,443,970 | 14,561,304 | 14,350,286 |
| Instruction | 71,643,464 | 75,728,286 | 80,544,181 | 85,234,981 | 88,235,972 |
| Pupil Transportation | 5,331,644 | 6,934,651 | 7,454,289 | 8,590,401 | 8,939,025 |
| Employee Benefits | 28,559,548 | 28,072,949 | 30,250,658 | 31,521,588 | 34,411,497 |
| Debt Service | 6,454,264 | 7,403,464 | 6,998,999 | 7,676,252 | 9,278,759 |
| Total Expenditures: | <u>124,110,092</u> | <u>130,343,433</u> | <u>138,692,097</u> | <u>147,584,526</u> | <u>155,215,539</u> |
| Excess (Deficiency) of Revenues and other Sources over Expenditures and Other Uses: | <u>1,741,067</u> | <u>3,469,015</u> | <u>(42,885)</u> | <u>4,180,650</u> | <u>1,739,056</u> |
| Other Financing Sources (Uses) | | | | | |
| Interfund Transfers In | 0 | 0 | 0 | 0 | 0 |
| Interfund Transfers Out | (1,050,476) | (291,059) | (346,136) | (2,880,396) | (2,737,956) |
| Issuances of leases | 0 | 998,405 | 1,158,517 | 904,497 | 915,990 |
| Premium on serial bonds issued | - | 405,369 | 1,422,208 | - | - |
| Total Other Financing Sources (Uses): | <u>(1,050,476)</u> | <u>1,112,715</u> | <u>2,234,589</u> | <u>(1,975,899)</u> | <u>(1,821,966)</u> |
| Net change in fund balances | 690,591 | 4,581,730 | 2,191,704 | 2,204,751 | (82,910) |
| Fund Balance Beginning of Year: | <u>25,928,908</u> | <u>26,619,499</u> | <u>31,201,229</u> | <u>33,392,933</u> | <u>35,597,684</u> |
| Fund Balance End of Year: | <u>\$26,619,499</u> | <u>\$31,201,229</u> | <u>\$33,392,933</u> | <u>\$35,597,684</u> | <u>\$35,514,774</u> |

Source: Compiled from prior years' audited financial reports although this statement was not subject to audit.

WEST SENECA CENTRAL SCHOOL DISTRICT
Statement of Estimated Revenues and Appropriations
General Fund
As of Fiscal Year Ended/Ending June 30

| | Adopted Budget <u>2025-26</u> | Adopted Budget <u>2026-27</u> |
|--|--|--|
| Estimated Revenues: | | |
| Real Property Taxes | \$71,889,614 | \$73,495,228 |
| Other Real Property Tax Items | 190,041 | 239,690 |
| Non Property Tax Items | 9,500,000 | 10,000,000 |
| Charges for Services | 1,333,750 | 1,267,205 |
| Use of Money and Property | 1,305,031 | 1,685,000 |
| Miscellaneous | 580,000 | 580,000 |
| State Sources | 71,036,517 | 75,217,691 |
| Federal Sources | <u>1,100,000</u> | <u>1,100,000</u> |
| Total Estimated Revenues | <u>156,934,953</u> | <u>163,584,814</u> |
| Fund Balance: | | |
| Appropriation of Fund Balance | <u>5,560,529</u> | <u>7,115,185</u> |
| Total Revenues and Appropriated Fund Balance: | | |
| | <u><u>\$162,495,482</u></u> | <u><u>\$170,699,999</u></u> |
| Appropriations: | | |
| General Government Support | \$15,443,564 | \$16,686,950 |
| Instruction | 92,227,347 | 96,272,458 |
| Pupil Transportation | 9,218,855 | 9,886,064 |
| Employee Benefits | 36,307,826 | 37,621,555 |
| Debt Service | 8,907,890 | 9,842,971 |
| Interfund Transfers | <u>390,000</u> | <u>390,000</u> |
| Total Appropriations: | | |
| | <u><u>\$162,495,482</u></u> | <u><u>\$170,699,998</u></u> |

APPENDIX C

**INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

**Can be accessed on the Electronic Municipal Market Access (“EMMA”) website
of the Municipal Securities Rulemaking Board (“MSRB”)
at the following link:**

<https://emma.msrb.org/P21982919-P21511761-P21965510.pdf>

**The audited financial statements referenced above are hereby incorporated into the
attached Official Statement.**

*** Such Financial Statements and opinion are intended to be representative only as
of the date thereof. Drescher & Malecki LLP has not been requested by the District
to further review and/or update such Financial Statements or opinion in connection
with the preparation and dissemination of this Official Statement.**

APPENDIX D

FORM OF DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the West Seneca Central School District, Erie County, New York (the “Issuer”) in connection with the issuance of its \$6,400,000 Bond Anticipation Note(s), 2026 or interests therein (such Note(s), including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

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

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

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

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

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

Section 2. Definitions.

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

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

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

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

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

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

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

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

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

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

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

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

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as

DISCLOSURE UNDERTAKING

This continuing disclosure undertaking (the “Disclosure Undertaking”) is executed and delivered by the West Seneca Central School District, Erie County, New York (the “Issuer”) in connection with the issuance of its \$31,695,000 School District Serial Bonds, 2026 (such Bonds, including any interests therein, being collectively referred to herein as the “Security”). The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB):

- (i) no later than the following March 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2026, the Annual Financial Information relating to such fiscal year, unless Audited Financial Statements are prepared, in which case the Annual Financial Information will be provided on or prior to the following March 31 after the end of each fiscal year or within 60 days following receipt by the Issuer of Audited Financial Statements (whichever is later) (the “Report Date”), but in no event later than one year after the end of each fiscal year;
- (ii) if not provided as part of the Annual Financial Information, Audited Financial Statements within 60 days of their receipt, but in no event later than one year after the end of each fiscal year;
- (iii) in a timely manner (not in excess of ten business days after the occurrence of any such event), notice of any of the following events with respect to the Security:
 - (1) Principal and interest payment delinquencies;
 - (2) Non-payment related defaults, if material;
 - (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) Substitution of credit or liquidity providers, or their failure to perform;
 - (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
 - (7) Modifications to rights of Security Holders, if material;
 - (8) Bond (or Note) calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the Security, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(iv) in a timely manner (not in excess of ten business days after the occurrence of such event), notice of a failure to provide by the date set forth in Section 1(a)(i) hereof any Annual Financial Information required by Section 3 hereof.

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

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

Section 2. Definitions

“Annual Financial Information” means the information specified in Section 3 hereof.

“Audited Financial Statements” means the Issuer’s annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of New York.

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

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

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States.

“GASB” means the Governmental Accounting Standards Board, or any successor thereto.

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

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

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof issued either before or after the effective date of this Disclosure Undertaking which are applicable to this Disclosure Undertaking.

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

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in Appendix A and Appendix B of the Issuer’s final official statement relating to the Security; which Annual Financial Information may, but it is not required to, include audited financial statements.

(b) All or any portion of the Annual Financial Information may be incorporated in the Annual Financial Information by cross reference to any other documents which are (i) available to the public on EMMA or (ii) filed with the Securities and Exchange Commission. If such a document is a final official statement, it must be available on EMMA.

(c) Annual Financial Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 6(f) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Financial Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Financial Information shall present a comparison between the

financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

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

Section 6. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to adjust the Report Date if the Issuer changes its fiscal year; provided that such new date shall be within nine months after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration;
- (f) to modify the contents, presentation and format of the Annual Financial Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (g) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

