OFFICIAL STATEMENT DATED JUNE 1, 2023

NEW ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Harris Beach PLLC, Bond Counsel to the District, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the District, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. However, for tax years beginning after December 31, 2022, interest on the Notes Bond Counsel is also of the opinion that under existing statutes interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporation. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.

The Notes will be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986 as amended.

$8,000,000
BYRON-BERGEN CENTRAL SCHOOL DISTRICT
GENESEE, MONROE AND ORLEANS COUNTIES, NEW YORK

$8,000,000 Bond Anticipation Notes, 2023

At an Interest Rate of 4.75% to Yield 3.90%
CUSIP #: 124493 LL9

Dated: June 15, 2023 **Due: June 14, 2024**

The Notes are general obligations of the Byron-Bergen Central School District, Genesee, Monroe and Orleans Counties, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "Nature of the Obligation" and "Tax Levy Limitation Law" herein. The Notes will be issued without the option of prepayment, with interest payable at maturity.

The Notes are issued in registered in book-entry form and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof, and payment of principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct Participants, subject to any statutory and regulatory requirements as may be in the effect from time to time. See "Book-Entry-Only System" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving opinion as to the validity of the Notes of Harris Beach PLLC Pittsford, New York, Bond Counsel to the District. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, with the Purchaser(s), on or about June 15, 2023.

TD SECURITIES (USA) LLC

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED MAY 22, 2023 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORAMTION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISION RULE 15c2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE AND THE DATED DATE ON PAGE 42, THERE HAVE BEEN NO MATERIAL REVISIONS TO SAID OFFICIAL STATEMENT.

DATED: June 1, 2023

BYRON-BERGEN CENTRAL SCHOOL DISTRICT
GENESEE, MONROE AND ORLEANS COUNTIES, NEW YORK

School District Officials

2022-23 BOARD OF EDUCATION

Debra List - President
Tammy Menzie - Vice President

Heidi Ball
Kimberly Carlson
Jeffrey Cook
Lynn Smith
Amy Phillips

Patrick McGee - Superintendent of Schools
Lori Prinz – School Business Administrator
Vicky Shallenberger – School District Treasurer
Rachel Stevens – District Clerk

School District Attorney

Harris Beach PLLC

BOND COUNSEL

Harris Beach PLLC

MUNICIPAL ADVISOR

RGT
R.G. TIMBS INC.

R. G. Timbs, Inc.

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

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PREPARED WITH THE ASSISTANCE OF:

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OFFICIAL STATEMENT

of the

BYRON-BERGEN CENTRAL SCHOOL DISTRICT
GENESEE, MONROE AND ORLEANS COUNTIES, NEW YORK
Relating To
$8,000,000 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page, has been prepared by the Byron-Bergen Central School District, Genesee, Monroe and Orleans Counties, New York (the “School District”, “Counties” and “State,” respectively) in connection with the sale by the School District of $8,000,000 Bond Anticipation Notes, 2023 (the “Notes).

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

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

DESCRIPTION OF THE NOTES

The Notes are general obligations of the District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See “Tax Levy Limitation Law” herein.

The Notes are dated June 15, 2023 and mature, without option of prior redemption, June 14, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

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

If the Notes will be 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, (See “Book-Entry-Only System” herein).

If the Notes are registered in the name of the purchaser(s), principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk, Bergen, New York. In such case, the Notes will be issued in registered form in denominations of $5,000, or multiples thereof.

Nature of the Obligation

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

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

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

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

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

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

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

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

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

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

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

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

Purpose and Authorization

The Notes are authorized to be issued pursuant to the Constitution and laws of the State of New York, including among others, the Education Law, the Local Finance Law, and pursuant to a bond resolution dated October 21, 2021, authorizing the issuance of obligations of the District in the amount of $15,107,802 for the financing of an addition to, and the construction and reconstruction of District buildings and facilities, various site improvements and the acquisition and installation of certain original furnishings, equipment and apparatus and other incidental improvements required therewith.

The proceeds of the Notes will provide $8,000,000 in new monies for the aforementioned purpose.

Book-Entry Only System

If the Notes are issued in registered book-entry form, The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. In such case, the 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, only if requested by the purchaser prior to the initial issuance of Notes. One fully-registered note certificate will be issued for each of the notes bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct

Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

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

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

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

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

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

The District may decide to discontinue use of the system of book-entry-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.

Source: The Depository Trust Company

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

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

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

Certificated Notes

DTC may discontinue providing its services with respect to the Notes at any time by giving reasonable notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Notes will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof for any single maturity. Principal of the Notes when due will be payable upon presentation at the principal corporate trust office of a bank or trust company located and authorized to do business and act as a fiscal agent in the state of New York to be named by the District. Notes may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for the Notes of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in Certificate of Determination executed by the President of the Board of Education authorizing the sale of the Notes and fixing the details thereof and in accordance with the Local Finance Law.

THE DISTRICT

General Information

The Byron-Bergen Central School District, centralized in 1952, covers approximately 77 square miles in the Towns of Batavia, Bergen, Byron, Elba, LeRoy and Stafford in Genesee County, the Towns of Riga and Sweden in Monroe County and the Town of Clarendon in Orleans County.

The School District provides public education for grades PreK-12 in three buildings located on a central campus. Interstate Route #490 and the New York State Thruway provide easy access to the City of Rochester, approximately 20 miles to the east. Opportunities for higher education are available in the Cities of Rochester, Brockport and Geneseo and at Genesee County Community College in Batavia.

The School District is essentially rural in character, with many residents commuting to the Cities of Rochester, Batavia, and LeRoy for employment.

District Population

The 2021 population of the School District is estimated to be 7,098. (Source: 2021 U.S. Census Bureau estimate)

Economic Developments

The Town of Byron has signed an agreement with NextEra for a 280kw solar farm. It is projected, starting in 2026-27, that the school will receive approximately $650,000 in a pilot payment. In addition, the farmers lose their Agricultural Exemption on the land used for the solar panel farm. This does not significantly impact the taxes levied; however, it does significantly lower the District's tax rate.

Liberty Pumps is expanding their facilities with a $13.5m project. The 107,000 square-foot expansion is anticipated to support 30 additional jobs at the family- and employee-owned manufacturer. This project will relieve congestion in the current structure and free up much needed manufacturing space for large pump systems.

The project will be the third expansion by Liberty Pumps since 2000 at Apple Tree Acres, a 185-acre business park developed by the GCEDC. Upon completion, Liberty Pumps will have approximately 350,000 square-feet of facilities at Apple Tree Acres.

Guglielmo Sauce is building a new facility for the production of their sauces.

Selected Wealth and Income Indicators

	Per Capita Income			Median Family Income		
	2000	2006-2010	2017-2021	2000	2006-2010	2017-2021
Village of:						
Bergen	$19,689	$21,495	$34,403	$54,327	$58,535	$100,000
Towns Of:						
Batavia	19,563	31,729	35,554	43,425	63,081	86,629
Byron	19,825	26,729	36,007	56,927	68,523	89,750
Bergen	20,932	23,985	32,368	54,012	63,409	81,250
Elba	18,470	22,396	31,344	51,058	60,526	88,333
Le Roy	19,342	25,179	35,555	49,189	64,000	80,282
Stafford	19,775	30,425	31,386	54,667	75,347	92,639
Riga	23,590	27,010	38,193	65,106	75,912	95,933
Sweden	17,874	22,808	25,270	58,750	65,767	82,820
Clarendon	18,553	24,293	31,205	52,064	68,365	66,992
County Of:						
Genesee	18,498	24,323	32,477	47,771	60,127	80,082
Monroe	22,821	26,999	37,599	55,900	65,240	87,350
Orleans	16,457	20,812	29,085	42,830	58,535	67,654
State Of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

Note: 2018-2022 American Community Survey Estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2017-2021 American Survey data.

District Facilities

Name	Grades	Year Built	Current Maximum Capacity	Date of Last Addition or Alteration
Elementary School	PK-5	1970	800	2018
Junior-Senior High School	6-12	1954	1200	2018
Gillam-Grant Natatorium	N/A	1973	N/A	2010
Bus Garage	N/A	2001	N/A	2018

District Employees

The District employs a total of 170 full-time and 13 part-time employees with representation by the various bargaining units listed below.

Bargaining Unit	Employees	Expiration Date
Faculty Association - New York State United Teachers	99	6/30/2026
School Administrator Association of New York State	5	6/30/2027
Office Personnel & Teachers' Aide Association	22	6/30/2026
Non-Teaching Service Personnel SEIU Local 200	22	6/30/2024
Bus Driver Association	16	6/30/2024

Historical and Projected Enrollment

Fiscal Year	Actual	Fiscal Year	Projected
2018-19	978	2023-24	909
2019-20	996	2024-25	910
2020-21	928	2025-26	912
2021-22	911	2026-27	912
2022-23	906	2027-28	912

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 TRS are deducted from the School District's State aid payments. Both the ERS and the TRS (together, the "Retirement Systems") are non-contributory with respect to members hired prior to July 27, 1976. Other than those in Tier V and Tier VI, all members hired on or after July 27, 1976, with less than 10 years of service must contribute 3% of their gross annual salary toward the cost of retirement programs.

On December 10, 2009, pension reform legislation was signed into law that created a new Tier V pension level. Key components of Tier V include:

• Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.

• Requiring ERS employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.

• Increasing the minimum years of service required to draw a pension from 5 years to 10 years.

• Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

Members of the TRS 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% of their annual wages to pension costs rather than 3% and continuing this increased contribution so long as they accumulate additional pension credits.

• Increasing the 2% multiplier threshold for final pension calculations from 20 to 25 years.

In accordance with constitutional requirements, Tier V applies only to public employees hired after December 31, 2009, and before April 2, 2012.

On March 16, 2012, legislation was signed into law that created a new Tier VI pension program. The Tier VI plan only applies to those employees hired on or after April 1, 2012. The new pension tier has progressive contribution rates between 3% to 6% of salary; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under previous tiers, there was no limit to the number of public employers a public employee worked for from which retirement benefits could be calculated. Tier VI permits only two salaries to be included in the calculation. The pension multiplier for Tier VI is 1.75% for the first 20 years of service and 2% thereafter; Vesting will occur after 5 years of service. The final average salary is based on a five-year average instead of the previous Tiers' three-year average. Pension eligible overtime for civilian and non-uniformed employees will be capped at $15,000, indexed for inflation. For uniformed employees outside of New York City, the cap is set at 15% of base pay. The number of sick and leave days that can be applied toward retirement service credit is reduced from 200 to 100. The legislation includes an optional defined contribution plan for new non-union employees with annual salaries of $75,000 or more. The State is required to fund any pension enhancements on an ongoing basis. This is a potential future cost savings for local governments.

The District is required to contribute at an actuarially determined rate. The actual contribution for the last five years and the budgeted figures for the 2022-2023 fiscal years are as follows:

Fiscal Year	ERS	TRS
2017-2018	316,664	704,061
2018-2019	327,589	790,252
2019-2020	289,349	681,285
2020-2021	288,755	673,737
2021-2022	312,293	694,885
2022-2023 (Budgeted)	402,700	831,480

Source: District records

Source: Audited financial statements for the 2017-2018 fiscal year through the 2021-2022 fiscal year and the adopted budget of the District for the 2022-2023 fiscal year. This table is not audited.

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

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

A chart of average ERS and TRS rates as a percent of payroll (2018-19 to 2023-24) is show below:

Fiscal Year	ERS	TRS
2018-2019	14.9%	10.62%
2019-2020	14.6	8.86
2020-2021	14.6	9.53
2021-2022	16.2	9.80
2022-2023	11.6	10.29
2023-2024	13.1	N/A

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

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

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

Stable Rate Pension Contribution Option **-** The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 12.5% for TRS. The pension contribution rates under this program would reduce near-term payments for employers; but will require higher than normal contributions in later years.

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

The State's 2019-2020 Enacted Budget will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such fund, during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The Board of Education approved the creation of the TRS reserve during the 2018-19 year. Currently the District has been able to fund $448,501 into the reserve.

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

Other Post-Employment Benefits

The District provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

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

GASB 75 - requires municipalities and school districts to account for OPEB liabilities much like they already account for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. However, GASB 75 also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity and requires: (a) explanations of how and why the OPEB liability changed from year to year (b) amortization and reporting of deferred inflows and outflows due to assumption changes, (c) use of a discount rate that takes into account resources of an OPEB plan and how they will be invested to maximize coverage of the liability (d) a single actual cost method and (e) immediate recognition of OPEB expense and effects of changes to benefit terms.

Under GASB 75, a total OPEB liability is determined for each municipality or school district. A net change in the total OPEB Liability is calculated as the sum of changes for the year including service cost, interest, difference between expected and actual experience, changes in benefit terms, changes in assumptions or other inputs, less the benefit payments made by the School District for the year.

Based on the most recent actuarial valuation dated July 1, 2020 and financial data as of June 30, 2022, the School District's beginning year total OPEB liability was $1,660,184 and the net change for the year was ($14,395) resulting in a total OPEB liability of $1,645,789 for a fiscal year ending June 30, 2022. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2022, financial statements.

The total OPEB liability is required to be determined through an actuarial valuation every two years, at a minimum. However, OPEB plans with fewer than 100 members may use an alternative measurement method in place of an actuarial valuation. Additional information about GASB 75 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

There is no authority in current State law to establish a trust account or reserve fund for this liability. While State Comptroller Thomas P. DiNapoli proposed a bill in April of 2015 that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation has not advanced past the committee stage.

The School District's total OPEB liability is expected to increase. As is the case with most municipalities and school districts, this is being handled by the School District on a "pay-as-you-go" basis. Substantial future increases could have a material adverse impact upon the School District's finances and could force the School District to reduce services, raise taxes or both.

Major Employers

Name	Nature of Business	Estimated Number of Employees
Oxbo International Corp	Manufacturer	204
Liberty Pump	Manufacturer	240
Bonduelle USA	Food Processing	153
Pavilion Gift Company	Warehouse Facility	45*
Waste Management Landfill	Waste Management	35

*Seasonal

Source: District Officials

Unemployment Rate Statistics

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

Year	Genesee County Unemployment Rate	Monroe County Unemployment Rate	Orleans County Unemployment Rate	New York State Unemployment Rate	U.S. Unemployment Rate
2018	4.2%	4.2%	4.9%	4.1%	4.0%
2019	3.8%	4.0%	4.5%	3.8%	3.7%
2020	7.4%	8.6%	8.4%	10.0%	8.3%
2021	4.2%	5.2%	5.2%	6.9%	5.3%
2022	3.1%	3.4%	3.8%	4.3%	3.6%

2022-23 Monthly Figures

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Genesee	2.9%	2.7%	2.9%	3.1%	3.1%	2.5%	2.4%	2.8%	3.1%	4.2%	3.8%	3.5%
Monroe	3.1%	3.1%	3.4%	3.8%	3.9%	3.2%	2.9%	3.1%	3.1%	3.9%	3.6%	3.2%
Orleans	3.4%	3.2%	3.7%	4.1%	4.2%	3.1%	2.9%	3.3%	3.6%	4.8%	4.3%	4.0%
New York State	4.1%	4.0%	4.1%	4.3%	4.2%	3.6%	3.7%	3.8%	3.8%	4.6%	4.5%	4.0%

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

Investment Policy

Pursuant to the statutes of the State of New York, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third-party custodian.

Form of School Government

The Board of Education, which is the policy-making body of the School District consists of seven members with overlapping three-year terms so that as nearly as possible, an equal number is elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold other School District offices or positions while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education of the School District annually prepares, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the School District must mail a school budget notice to all qualified voters which contains the total budgeted amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the budget vote. After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified School District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 of the State of New York, beginning with the 2012-13 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% (plus certain adjustments, if applicable) or the rate of inflation (the " Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy increase that exceeds the Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap also must receive at least 60% voter approval.

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

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "Tax Levy Limitation Law" herein.

The school district budget vote for the 2020-21 fiscal year was originally scheduled to be held on May 19, 2020, however, annual school budget votes across the State were postponed until June 9, 2020 under an Executive Order from Governor Andrew Cuomo. The budget for the 2020-21 fiscal year was adopted by the qualified voters on June 9, 2020 **(and then adjourned until 5:00 PM on June 16, 2020, for purpose of receiving mailed absentee ballots)** by a vote of 751 to 396. The School District’s 2020-21 Budget remained within the School District Tax Cap imposed by Chapter 97.

The budget for the 2021-22 fiscal year was adopted by the qualified voters on May 18, 2021 by a vote of 242 to 69. The School District's 2021-22 Budget remained within the School District Tax Cap imposed by Chapter 97.

The budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 244 to 98. The School District’s 2022-23 Budget remained within the School District’s Tax Cap imposed by Chapter 97.

The budget for the 2023-24 fiscal year was adopted by the qualified voters on May 16, 2023 by a vote of 380 to 108. The School District’s 2023-24 Budget remained within the School District’s Tax Cap imposed by Chapter 97.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2023-24 fiscal year, approximately 60.39% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever

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

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

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

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

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. The State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. The State's 2021-22 Enacted Budget was adopted on April 7, 2021. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

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

Federal Aid Received by the State –

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

President Biden has signed into law the American Rescue Plan Act (“ARP”), a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools, and maintain vital services. The American Rescue Plan also includes assistance to low- and moderate-income households, an increase in food stamp benefits, additional funding for childcare and an increase in childcare tax credits. As of the date of this Official Statement it is not possible to predict the long-term impacts that the American Rescue Plan will have on the finances of the State.

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (“CRRSA”); and the (“ARPA”) Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately $2,268,298 in ARP funds and $736,228 in CRRSA funds. As of June 30, 2022, the District has received $1,408,538 in ARPA funds and $736,228 in CRRSA funds.

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

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

The State 2017-2018 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017- 18Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d.

- The State 2018-2019 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately $859 million of that increase was comprised of traditional public-school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at $26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State's 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State's 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-2019.

The State 2019-2020 Enacted Budget included a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and provided additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increased the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget increased the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

The State's 2020- 2021 Enacted Budget - Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7% lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately $27.9 billion, an annual increase of approximately $100 million or 0.4%. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools, and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid continued under existing aid formulas. Out-year growth in School Aid reflected then current projections of the ten-year average growth in State personal income. The State's 2020- 2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4% from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received, and the State released all of the withheld funds prior to June 30, 2021

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

The State 2022-23 Enacted Budget provided $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State 2022-23 Enacted Budget also provides $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State

2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

On February 1, 2023, Governor Kathy Hochul delivered the Executive Budget to the New York State Legislature. The 2023-24 Executive Budget includes a $3.1 billion or a 10% increase in School aid, the largest in State history, totaling $34.5 billion. The Foundation Aid formula will be fully funded for the first time in the program's history by way of a $2.7 billion increase, including a dedication of $250 million to establish high-impact tutoring programs. There is a $392 million increase in all other school aid programs including expense-based aids, categorical aids, and competitive grants. A $20 million grant will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional $125 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95 percent of the State. In fiscal years 2022 and 2023, public school districts were awarded $14 billion of federal elementary and secondary school emergency relief funds, available for use over multiple years. The 2023-24 Executive Budget was adopted May 3, 2023.

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

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

A case related to the <u>Campaign for Fiscal Equity, Inc. v. State of New York</u> was heard on appeal on May 30, 2017 in New Yorkers for <u>Students' Educational Rights v. State of New York</u> ("NYSER"), a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the 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. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except for two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the Campaign for Fiscal Equity case that absent "gross education inadequacies", claims regarding State funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021, Governor Hochul announced that the State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing such funding. The litigation, which has been ongoing since 2014, sought to require the State to fully fund the Foundation Aid formula that was put into place following the Campaign for Fiscal Equity cases, and has been previously opposed by the State. Foundation Aid was created in 2007 and takes school district wealth and student need into account to create and equitable distribution of state funding to schools, however, the State has never fully funded Foundation Aid, The new settlement requires New York to phase-in full funding of Foundation Aid by the FY 2024 budget. In the 2022 Enacted State Budget approved in April 2022, the Executive and Legislature agreed to fully fund the Foundation Aid by the FY 2024 budget and enacted this commitment into law. A breakdown of the currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of existing shortfall.
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall.
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school Districts.

The following table illustrates the percentage of total revenue of the District for each of the below fiscal years comprised of State aid and budgeted figures for 2022-23 and 2023-24 fiscal years.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2017-2018	$22,464,982	$13,422,310	59.75%
2018-2019	22,808,584	13,331,740	58.45
2019-2020	22,705,839	13,111,572	57.75
2020-2021	24,297,241	14,238,041	58.60
2021-2022	24,671,625	14,738,593	59.74
2022-2023 (Budgeted)	25,524,093	15,126,037	59.26
2023-2024 (Budgeted)	25,672,402	15,503,779	60.39

Source: Audited financial statements for the 2017-2018 fiscal year through the 2021-2022 fiscal year and the adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. This table is not audited.

Fiscal Stress Monitoring

The New York State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent information to School District officials, taxpayers, and policy makers regarding the various levels of fiscal stress under which the State's diverse school districts are operating.

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

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

Fiscal Year Ending In	Stress Designation	Fiscal Score
2022	No Designation	0
2021	No Designation	0
2020	No Designation	3.3
2019	No Designation	0.0
2018	No Designation	0.0

Note: See the official website of the New York State Comptroller for more information on FSMS. Reference to websites implies no warranty of accuracy of information therein.

State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the District on November 2, 2018. The purpose of the audit was to determine whether District officials use competitive methods to procure goods and services for the period July 1, 2016 through June 6, 2018.

Key Finding

- District officials made 40 purchases of 77 reviewed, totaling approximately $184,000 without always obtaining or documenting price quotes as required by the purchasing policy.

Key Recommendation

- Ensure that officials obtain the necessary number of competitive quotes as required by the purchasing policy.

District officials generally agreed with the recommendations and took corrective action.

A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

There are no State Comptroller's audits of the District that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes were issued is the Education Law and the Local Finance Law.

No principal or interest upon any obligation of the School District is past due.

The fiscal year of the School District is from July 1 to June 30.

Other than "Estimated Calculation of Overlapping Indebtedness", this Official Statement does not include the financial data of any other political subdivisions of the State having power to levy taxes within the School District.

Financial Statements

The School District retains an independent Certified Public Accountant, whose most recent report covers the period ended June 30, 2022 and may be found attached hereto as Appendix B

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting ("GAAFR"), published by the National Committee on Government Accounting.

Tax Information
Assessed and Full Valuations*

Fiscal Year Ended June 30:	2019	2020		2021	2022	2023
Assessed Valuations:						
Batavia	$ 9,901,154	$ 9,942,300	*	$ 10,024,494	$ 11,189,696	$ 11,890,419
Bergen	164,966,841	166,601,170	*	181,407,420	189,632,927	207,444,727
Byron	106,529,278	110,992,558	*	113,575,299	118,340,285	124,454,060
Clarendon	2,266,702	2,379,727	*	2,389,281	2,370,109	2,848,701
Elba	1,750,441	1,848,478	*	1,887,429	1,981,433	2,070,628
LeRoy	7,456,629	7,496,000	*	7,571,698	7,547,897	7,615,167
Riga	25,636,063	25,815,440		25,701,543	25,980,794	29,926,559
Stafford	40,309,729	40,949,137	*	44,627,336	44,886,148	53,229,502
Sweden	48,387	49,569	*	50,592	51,566	52,647
Total	$ 358,865,224	$ 366,074,379		$ 387,235,092	$ 401,980,855	$ 439,532,410
Equalization Rates:						
Batavia	100.00%	100.00%		98.00%	100.00%	100.00%
Bergen	100.00%	100.00%		100.00%	100.00%	100.00%
Byron	98.00%	100.00%		100.00%	100.00%	100.00%
Clarendon	100.00%	100.00%		94.00%	87.00%	100.00%
Elba	94.00%	100.00%		100.00%	100.00%	100.00%
LeRoy	100.00%	100.00%		96.00%	92.00%	83.00%
Riga	100.00%	98.00%		93.00%	90.00%	100.00%
Stafford	100.00%	100.00%		100.00%	100.00%	100.00%
Sweden	100.00%	100.00%		100.00%	100.00%	100.00%
Full Valuations:						
Batavia	$ 9,901,154	$ 9,942,300		$ 10,229,076	$ 11,189,696	$ 11,890,419
Bergen	164,966,841	166,601,170		181,407,420	189,632,927	207,444,727
Byron	108,703,345	110,992,558		113,575,299	118,340,285	124,454,060
Clarendon	2,266,702	2,379,727		2,541,788	2,724,263	2,848,701
Elba	1,862,171	1,848,478		1,887,429	1,981,433	2,070,628
LeRoy	7,456,629	7,496,000		7,887,185	8,204,236	9,174,900
Riga	25,636,063	26,342,286		27,636,068	28,867,549	29,926,559
Stafford	40,309,729	40,949,137		44,627,336	44,886,148	53,229,502
Sweden	48,387	49,569		50,592	51,566	52,647
Total	$ 361,151,021	$ 366,601,225		$ 389,842,193	$ 405,878,103	$ 441,092,143

Equalized values shown here are those used by the School District for tax levy purposes as provided in the Real Property Tax Law. In some cases, equalization rates established specifically for school tax apportionment may have been used, as is also provided in the Real Property Tax Law.

* Difference due to townwide revaluation

Tax Rate per $1,000 Assessed Value

Fiscal Year Ending June 30:

	2019	2020	2021	2022	2023
Batavia	$ 23.89	$ 24.22	$ 23.73	$ 22.35	$ 20.96
Bergen	23.89	24.22	23.26	23.35	20.96
Byron	24.38	24.22	23.26	22.35	20.96
Clarendon	23.89	24.22	24.74	25.69	20.96
Elba	25.41	24.22	23.26	22.35	20.96
LeRoy	23.89	24.22	24.23	24.29	25.25
Riga	22.68	23.43	23.21	23.05	18.77
Stafford	23.89	24.22	23.26	22.35	20.96
Sweden	22.68	22.93	21.58	20.75	18.77

Tax Collection Procedure

School taxes are due September 1, payable during the month of September without penalty. Payments during the next 30 days are subject to a 2% penalty. No payments are accepted after November 1. Uncollected school taxes are turned over to the Counties after November 15 for collection with a penalty and additional interest added. The Counties reimburse the School District in full for uncollected taxes before the end of the fiscal year for which the taxes were levied, thereby assuring the District of 100% tax collection annually.

Tax Collection Record

Fiscal Year Ended June 30:

	2019	2020	2021	2022	2023*
Total Tax Levy	$8,599,072	$8,849,011	$9,024,961	$9,024,961	$9,183,231
Amount Uncollected	323,873	320,482	302,853	267,868	272,112
% Uncollected	3.77%	3.62%	3.36%	2.97%	2.96%

Note: * Collection information is as of November 14, 2022

Real Property Tax Revenues

Fiscal Year	Total Revenues	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2017-2018	$22,464,982	$6,645,205	29.58%
2018-2019	22,808,584	6,910,719	30.30%
2019-2020	22,705,839	7,227,221	31.83%
2020-2021	24,297,241	7,466,897	30.73%
2021-2022	24,671,625	7,545,076	30.58%
2022-2023 (Budgeted)	25,524,093	9,183,231	35.98%
2023-2024 (Budgeted)	25,672,402	7,843,989	30.55%

Source: Audited financial statements for the 2017-18 fiscal year through 2021-22 fiscal year and the adopted budget of the District for the 2022-2023 and 2023-2024 fiscal years. This table is not audited

Major Taxpayers 2022

For 2022-23 Tax Roll

Name	Type	Full Value
Empire State Pipeline	Natural Gas Pipeline	$17,668,373
National Grid	Utility	8,433,792
Legacy Lands LLC	Agriculture	7,423,400
Zuber Brothers LLC	Agriculture	7,126,700
RJ Properties LLC	Manufacturing	6,763,300
Rochester Gas & Electric	Utility	5,212,360
CSX Transportation Inc	Railroad	5,156,656
Sharp, Clifford L	Agriculture	4,020,200
CY Properties LLC	Agriculture	3,268,000
Rochester MHP Portfolio LLC	Housing	3,969,975
Total		$69,042,756

1. The above taxpayers represent 15.7% of the School District's 2022-23 Full value of $439,532,410

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certioraris that are known to have a material impact on the District.

General Fund Operations

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. (A statement of such revenues and expenditures for the five-year period ending June 30, 2022 is contained in the Appendices). As reflected in the Appendices, the District derives the bulk of its annual revenues from a tax on real property and from State aid. Capital improvements are generally financed by the issuance of bonds and bond anticipation notes.

STAR – School Tax Exemption

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

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $90,550 or less in 2021-22 and $92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $70,700 for the 2021-22 school year and $74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

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

The 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes were intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption remained the same each year, while the amount of the STAR credit was increased up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less had the option to select the credit or the exemption.

The State's 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits were not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While Governor Cuomo had issued various Executive Orders in response the COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provided $2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

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 modifies current law by imposing a limit on the amount of real property taxes that a school district may levy and affected school district tax levies for the school district fiscal year beginning July 1, 2012.

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 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 Limit Law requires that a school district hereafter submit its proposed tax levy (not its proposed budget) to the voters each year, and imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI, as described in the Tax Levy Limitation Law. Tax levies that do not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a tax levy in excess of the limit. In the event the voters reject the tax levy, the school district's tax levy for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year, without any stated exceptions.

There are exceptions for school districts to the tax levy limitation provided in the 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 portion of the tax levy necessary to support “Capital Local Expenditures” is defined as the “Capital Tax Levy” and is an exclusion from the tax levy limitation.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a Justice of the State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. After the ruling, NYSUT amended its complaint to include a challenge to the Real Property Tax Rebate, also on Federal and State constitutional grounds. On March 16, 2015, all causes of action contained in the amended complaint were dismissed. On May 5, 2016, the dismissal was upheld by the New York Supreme Court, Appellate Division, Third Judicial Department. An additional appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York’s highest court, on the grounds that no substantial constitutional question was directly involved, and thereafter, leave to appeal was denied on January 14, 2017 by the Court of Appeals.

STATUS OF INDEBTEDNESS

Constitutional Requirements

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

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

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

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

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 laws, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the Commissioner of Education of the State. The District has obtained such approval with respect to the project to be financed by the Notes.

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

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

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

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

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; however, 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 law in the State permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first issuance of such notes and provided that such renewal issues do not exceed five years beyond the original date of borrowing.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short term general obligation indebtedness including revenue, tax anticipation, budget, and capital notes.

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

Debt Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Serial Bonds	$10,410,000	$8,945,000	$23,085,402	$20,370,000	$18,130,000
Bond Anticipation Notes	754,673	13,744,832	769,924	636,916	462,258
Total Debt Outstanding	$11,164,673	$22,689,832	$23,855,326	$21,006,916	$18,592,258

Status of Outstanding Bond Issues

Year of Issue:	2020		2020	
Amount Issued:	$7,225,000		$15,425,402	
Purpose/Instrument:	Refunding/Serial Bond		Construction/Serial Bond	
Fiscal Year Ending June 30:	Principal	Interest	Principal	Interest
2023	$ 1,305,000	$ 185,000	$ 990,000	$ 270,100
2024	1,355,000	132,800	930,000	250,300
2025	1,410,000	78,600	950,000	231,700
2026	555,000	22,200	965,000	212,700
2027	-	-	985,000	193,400
2028	-	-	1,005,000	173,700
2029	-	-	1,035,000	153,600
2030	-	-	1,065,000	132,900
2031	-	-	1,095,000	111,600
2032	-	-	1,115,000	89,700
2033	-	-	1,140,000	67,400
2034	-	-	1,165,000	44,600
2035	-	-	1,065,000	21,300
Totals:	$ 4,625,000	$ 418,600	$ 13,505,000	$ 1,953,000

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	Principal	Interest	Total Debt Service	%Paid
2023	$ 2,295,000	$ 455,100	$ 2,750,100	13.41%
2024	2,285,000	383,100	2,668,100	26.43%
2025	2,360,000	310,300	2,670,300	39.45%
2026	1,520,000	234,900	1,754,900	48.01%
2027	985,000	193,400	1,178,400	53.76%
2028	1,005,000	173,700	1,178,700	59.51%
2029	1,035,000	153,600	1,188,600	65.31%
2030	1,065,000	132,900	1,197,900	71.15%
2031	1,095,000	111,600	1,206,600	77.04%
2032	1,115,000	89,700	1,204,700	82.91%
2033	1,140,000	67,400	1,207,400	88.80%
2034	1,165,000	44,600	1,209,600	94.70%
2035	1,065,000	21,300	1,086,300	100.00%
Totals:	$18,130,000	$ 2,371,600	$ 20,501,600	

Status of Short-Term Indebtedness

The District has no outstanding short-term indebtedness.

Cash Flow Borrowings

The District has not issued revenue or tax anticipation notes since the 2009-10 fiscal year and does not anticipate the need to issue revenue or tax anticipation notes in the near future.

Capital Project Plans

The District voters approved a $17,107,802 Capital Project on October 7, 2021. This project will include improvements to the Elementary School, Jr./Sr. High School, the Natatorium and Bus Garage. Work on this project began in 2023. This will be the first issuance of indebtedness for said project.

School Bus Borrowings

The District no longer borrows for school buses. Starting with the 2022-23 Budget, the District now includes bus purchases as a line item in the Budget.

Building Aid Estimate

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. The District has not applied for such estimate, but anticipates that aid may be received on its outstanding indebtedness at their Building Aid Ratio of 87.5%.

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

A fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, a new "assumed amortization" payout schedule for future State building aid payments based on an annual "average interest rate" and mandatory periods of probable usefulness with respect to the allocation of building aid. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its outstanding debt. See "State Aid" herein.

Debt Statement Summary

As of May 22, 2023

Town	Taxable Assessed Valuation	State Equalization Rate	Taxable Full Valuation
Batavia	$ 11,890,419	100.00%	$ 11,890,419
Bergen	207,444,727	100.00%	207,444,727
Byron	124,454,060	100.00%	124,454,060
Clarendon	2,848,701	100.00%	2,848,701
Elba	2,070,628	100.00%	2,070,628
LeRoy	7,615,167	83.00%	9,174,900
Riga	29,926,559	100.00%	29,926,559
Stafford	53,229,502	100.00%	53,229,502
Sweden	52,647	100.00%	52,647
			$ 441,092,143
Debt Limit: 10% of Full Valuation			$ 44,109,214
Inclusions:			
Serial Bonds			$ 18,130,000
Bond Anticipation Notes			-
Total Inclusions:			$ 18,130,000
Exclusions:			
Building Aid Estimate [1]			$0
Total Exclusions:			$0
Total Net Indebtedness Before Giving Effect to This Issue:			$ 18,130,000
New Monies This Issue:			8,000,000
Total Net Indebtedness			$ 26,130,000
Net Debt Contracting Margin			$ 17,979,214
Percentage of Debt-Contracting Power Exhausted			59.24%

Notes: 1. Pursuant to the provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing building debt. Since the Gross Indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate and therefore is not permitted to deduct Estimated Building Aid

Estimated Overlapping Indebtedness

Overlapping Unit	Applicable Equalized Value	Percent	Gross Indebtedness [1]	Exclusions	Net Indebtedness	Estimated Applicable Overlapping Indebtedness
Genesee	$ 408,264,236					
County	$ 3,208,027,800	12.73%	$ 20,185,000	N/A	$ 20,185,000	$ 2,568,810
Monroe	$ 29,979,206					
County	$ 48,689,213,124	0.06%	$ 672,439,794	N/A	$ 672,439,794	$ 414,039
Orleans	$ 2,848,701					
County	$ 1,906,800,066	0.15%	$ 16,078,951	N/A	$ 16,078,951	$ 24,021
Town of	$ 11,890,419					
Batavia	$ 442,778,158	2.69%	$ 10,975,099	N/A	$ 10,975,099	$ 294,727
Town of	$ 207,444,727					
Bergen	$ 207,444,727	100.00%	$ 2,344,184	N/A	$ 2,344,184	$ 2,344,184
Town of	$ 124,454,060					
Byron	$ 124,454,060	100.00%	$ 4,937,000	N/A	$ 4,937,000	$ 4,937,000
Town of	$ 2,848,701					
Clarendon	$ 180,153,995	1.58%	$ 5,732,375	N/A	$ 5,732,375	$ 90,644
Town of	$ 2,070,628					
Elba	$ 121,347,391	1.71%	$ 14,602,000	N/A	$ 14,602,000	$ 249,163
Town of	$ 9,174,900					
LeRoy	$ 399,853,392	2.29%	$ -	N/A	$ -	$ -
Town of	$ 29,926,559					
Riga	$ 404,761,308	7.39%	$ 2,925,800	N/A	$ 2,925,800	$ 216,323
Town of	$ 53,229,502					
Stafford	$ 168,193,262	31.65%	$ 2,948,857	N/A	$ 2,948,857	$ 933,249
Town of	$ 52,647					
Sweden	$ 720,190,130	0.01%	$ 3,792,036	N/A	$ 3,792,036	$ 277
Village of	$ 47,045,247					
Bergen	$ 47,045,247	100.00%	$ 2,393,878	N/A	$ 2,393,878	$ 2,393,878
Total						$ 14,466,315

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2021.

Notes: Bonds and Bond Anticipation notes as of 2021 fiscal year. Not adjusted to include subsequent bond and note sales.
N/A Information not available from source document.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 22, 2023:

	Amount	Per Capita (a)	Percentage of Full Value (b)
Net Indebtedness	$ 26,130,000	$ 3,681.32	5.924%
Net Indebtedness Plus Net Overlapping Indebtedness	$ 40,596,315	$ 5,719.40	9.204%

(a) The District's estimated population is 7,098. (Source: 2021 U.S. Census Bureau estimate)
(b) The District's full valuation of taxable real estate for 2022-23 is $441,092,143.

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

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

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

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

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

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgement, although judicial mandates have been issued to officials to appropriate and pay judgements our of certain funds or the District may not be enforced to levy and execution against property owned by the School District.

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

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

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

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

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

MARKET AND RISK FACTORS

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

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

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriations for State aid to school districts will be continued in futures years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timelines of such payments may also be affected by a delay in the adoption of the State budget and other circumstances, including state fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore.

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

Current and future legislative proposals, if enacted into law, clarification of the Internal Revenue Code of 1976 as amended (the "Code"), or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from State income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or tax status of interest on the Notes.

Cyber Security

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 operation controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard again cyber threats and attacks. The results of any such attack could impact business operations and/or damage District digital networks and systems and the costs of remedying any such damage could be substantial.

COVID – 19

The COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor took steps designed to mitigate the spread and impacts of COVID-19. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. Pursuant to an Executive Order of the Governor, the School District was closed from March 16, 2020 through the end of the 2019-20 school year. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have been relaxed. Any resurgence of COVID-19 could have a material adverse effect on the State and municipalities and school districts located in the State, including the School District. The School District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

TAX MATTERS

In the opinion of Harris Beach PLLC, Bond Counsel to the District, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for Federal income tax purposes. Bond Counsel is of the further opinion that interest on the Notes is not an “item of tax preference” for purposes of the Federal alternative minimum tax on individuals. However, for tax years beginning after December 31, 2022, the Code imposes a federal corporate alternative minimum tax equal to 15 percent of the “adjusted financial statement income” of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual “adjusted financial statement income” for the 3-taxable-year period ending with the tax year that exceeds $1,000,000,000. Interest on tax-exempt obligations such as the Notes is included in the computation of a corporation’s “adjusted financial statement income”.

The Code of 1986 imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes, as applicable, will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes, as applicable, and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the arbitrage and use of proceeds certificate to be delivered by the District in connection with the issuance of the Notes, the District will covenant to comply with certain procedures, and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, 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 benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Notes will be designated as "qualified tax-exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly, or indirectly, cause interest on the Notes to be subject to federal, State, or local income taxation, or otherwise prevent holders of the Notes from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.

LEGAL MATTERS

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, Bond Counsel, Pittsford, New York. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount, provided, however, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights; (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals; however, for tax years beginning after December 31, 2022, interest on Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York; and (iv) the enforceability of the Notes is subject to bankruptcy laws and other laws affecting creditor’s rights and the exercise of judicial discretion, and (v) the scope of the engagement of Harris Beach PLLC, as Bond Counsel in relation to the Notes, has extended solely to rendering the opinions expressed in said opinion, that said law firm is rendering no opinion other than the opinions expressly stated therein, and that said law firm expresses no opinion on the accuracy or completeness of any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes.

CONTINUING DISCLOSURE COMPLIANCE

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, the School District will enter into an Undertaking to provide notices of certain events, the description of which is attached hereto as “Appendix D”.

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

LITIGATION

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

The District has been served with one notice of claim that is for a bus accident. The Driver of the car involved in the accident with a school bus has filed this claim. Depositions are scheduled for August of 2023.

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

BOND RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in an event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX - D" herein.)

Moody's Investors Service (“Moody's”) has assigned their underlying rating of “A1” to the District’s outstanding bonds. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 99 Church Street - 9th Floor, New York, New York 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies, and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

MUNICIPAL ADVISOR

R.G. Timbs, Inc.is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

MISCELLANEOUS

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

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

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

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

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

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

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

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

R.G. Timbs, Inc. may place a copy of this Official Statement on its website at www.RGTimbsInc.net. 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. R.G. Timbs, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the School District nor R.G. Timbs, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, R.G. Timbs, Inc. and the School 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

The School District's contact information is as follows: Lori Prinz, Business Administrator, phone: (585) 494-1220; email: lprinz@bbschools.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained from the offices of R.G. Timbs, Inc., telephone number (877) 315-0100 x5 or at www.RGTimbsInc.net.

Byron-Bergen Central School District

Dated: June 1, 2023
Bergen, New York

DEBRA LIST
President of the Board of Education
And Chief Fiscal Officer

APPENDIX A

Financial Information

General Fund – Statement of Revenues, Expenditures and Fund Balance

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022	Budget 2023
Beginning Fund Balance - July 1	$5,486,007	$3,918,676	$4,975,959	$6,597,728	$10,245,056	$10,136,153 [E]
Revenues:						
Real Property Taxes	$6,645,205	$6,910,719	$7,227,221	$7,466,897	$7,545,076	$7,758,231
Real Property Tax Items	1,913,846	1,872,679	1,827,376	1,784,080	1,711,444	1,670,025
Non-Property Tax Items	31,007	33,249	46,364	46,355	65,695	35,000
Charges for Services	88,490	163,388	91,900	36,264	105,205	42,000
Use of Money & Property	44,196	78,438	40,974	58,491	69,859	87,000
Sale of Property/Comp. for Loss	8,237	24,431	9,551	107,450	19,612	5,000
Miscellaneous	242,753	309,931	316,152	329,705	386,663	145,800
State Aid	13,422,310	13,331,740	13,111,572	14,238,041	14,738,593	15,126,037
Federal Aid	68,938	84,009	34,729	229,958	29,478	30,000
Interfund Transfer	0	0	0	0	0	200,000
Total Revenues	$22,464,982	$22,808,584	$22,705,839	$24,297,241	$24,671,625	$25,099,093
Expenditures:						
General Support	$2,471,010	$2,472,572	$2,853,858	$2,483,571	$2,504,643	$3,240,638
Instruction	11,228,954	11,482,571	11,161,660	10,534,489	10,456,951	12,961,438
Transportation	1,165,276	1,179,950	1,053,025	1,013,385	1,137,427	1,261,663
Community Service	12,329	0	0	0	0	0
Employee Benefits	3,918,581	3,985,278	3,910,862	3,792,627	3,742,321	4,746,425
Debt Service	2,012,069	0	0	0	162,148	3,213,929
Interfund Transfer	3,224,094	2,630,930	2,104,665	3,236,812	6,777,038	100,000
Total Expenditures	$24,032,313	$21,751,301	$21,084,070	$21,060,884	$24,780,528	$25,524,093
Adjustments	0	0	0	410,971	0	0
Year End Fund Balance	$3,918,676	$4,975,959	$6,597,728	$10,245,056	$10,136,153	$9,711,153 [E]
Excess (Deficit) Revenues Over Expenditures	($1,567,331)[2]	$1,057,283	$1,621,769	$3,236,357	($108,903)[2] [2]	($425,000) [1]

Source: Audited Annual Financial Reports and Annual Budget. This table is NOT audited.

Note:

1. Appropriated Fund Balance is planned to be used.

2. Deficits are the result of transferring Capital Reserve monies to the Capital fund as authorized by district residents.

E. Estimated

General Fund Budget Summary

	2023-24 Adopted Budget
Revenues:	
Real Property Taxes & STAR	$9,223,509
Other Tax Items	202,892
Charges for Services	5,722
Use of Money & Property	242,000
Other Revenue	264,500
State Aid	15,503,779
Federal Aid	30,000
Reserves	200,000
Appropriated Fund Balance	300,000
Total Revenues	$25,972,402
Expenditures:	
General Support	$3,357,623
Instruction	13,277,981
Transportation	1,269,362
Employee Benefits	4,859,336
Debt Service	3,108,100
Interfund Transfers	100,000
Total Expenditures	$25,972,402

Source: Adopted Budget of the School District. This table is NOT audited

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Assets:					
Cash and Cash Equivalents	$6,387,497	$5,407,771	$2,007,016	$2,925,758	$3,871,321
Due from Other Governments	1,008,904	790,702	528,696	657,786	863,475
State and Federal Aid Receivable	286,567	298,708	222,263	1,388,960	277,351
Due from Other Funds	0	0	1,632,671	466,781	126,613
Inventory and prepaid expenses	0	0	25,106	0	0
Investments	0	0	3,304,963	6,194,580	6,509,115
Total Assets	$7,682,968	$6,497,181	$7,720,715	$11,633,865	$11,647,875
Liabilities:					
Accounts Payable	$242,224	$282,491	$212,079	$389,609	$365,448
Accrued Liabilities	77,906	146,663	13,548	88,343	170,253
Due to Other Funds	2,474,705	80,372	854,517	0	0
Due to Retirement Systems	896,650	971,372	0	864,989	930,617
Deferred Revenues	72,807.00	40,324.00	42,843.00	45,868.00	45,404.00
Total Liabilities:	$3,764,292	$1,521,222	$1,122,987	$1,388,809	$1,511,722
Fund Balances:					
Nonspendable	0	0	25,106		
Restricted	2,468,357	3,433,618	3,611,330	6,339,275	5,534,769
Assigned	529,115	598,141	1,079,131	649,622	626,413
Unassigned	921,204	944,200	1,882,161	3,256,159	3,974,971
Total Fund Balance	$3,918,676	$4,975,959	$6,597,728	$10,245,056	$10,136,153
Total Liabilities and Fund Balance	$7,682,968	$6,497,181	$7,720,715	$11,633,865	$11,647,875

Source: Audited Annual Financial Reports. This table is NOT audited.

<u>APPENDIX B</u>

Audited Financial Statements

For The Fiscal Year Ended June 30, 2022

Note: Such Financial Reports and opinions were prepared as of the date thereof and have not been reviewed and/or updated by the District's Auditors in connection with the preparation and dissemination of this official statement. Consent of the Auditors for inclusion of the Audited Financial Reports in this Official Statement has neither been requested nor obtained.

BYRON-BERGEN CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2022

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June 30, 2022

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Education
Byron-Bergen Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Byron-Bergen Central School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the remaining fund information of the District as of June 30, 2022, and the respective changes in financial position and budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lumsden & McCormick, LLP

September 20, 2022

Management's Discussion and Analysis (unaudited)

June 30, 2022

Introduction

Management's Discussion and Analysis (MD&A) of Byron-Bergen Central School District (the District) provides an overview of the District's financial activities and performance for the year ended June 30, 2022. The information contained in the MD&A should be considered in conjunction with the information presented as part of the District's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the District's financial position and results of operations. The District's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) fiduciary fund statements; (5) notes to the financial statements; and (6) supplementary information.

In 2022, the District adopted GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and that recognized income or expenditures, based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease as a liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. The statement of activities presents information showing how the District's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the District as a whole. All of the activities of the District are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the District's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District's custodial fund includes extraclassroom activity funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide, governmental fund, and fiduciary fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles and the New York State Education Department.

Condensed Statement of Net Position	2022	2021	Change $	Change %
Current and other assets	$ 25,258,000	$ 14,005,000	$ 11,253,000	80.3%
Capital assets	42,747,000	43,864,000	(1,117,000)	(2.5%)
Total assets	68,005,000	57,869,000	10,136,000	17.5%
Deferred outflows of resources	6,311,000	6,715,000	(404,000)	(6.0%)
Long-term liabilities	26,177,000	29,304,000	(3,127,000)	(10.7%)
Other liabilities	2,131,000	2,137,000	(6,000)	(0.3%)
Total liabilities	28,308,000	31,441,000	(3,133,000)	(10.0%)
Deferred inflows of resources	10,834,000	3,462,000	7,372,000	212.9%
Net position				
Net investment in capital assets	26,697,000	22,582,000	4,115,000	18.2%
Restricted	6,303,000	7,541,000	(1,238,000)	(16.4%)
Unrestricted	2,174,000	(442,000)	2,616,000	(591.9%)
Total net position	$ 35,174,000	$ 29,681,000	$ 5,493,000	18.5%

Net position amounted to $35,174,000 and $29,681,000 as of June 30, 2022 and 2021, respectively. The largest portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, and furniture and equipment, less outstanding debt used to acquire or lease those assets. The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

The District's net position includes resources that are subject to external restrictions on how they may be used. These reserves are set aside for specific purposes governed by statutory law and regulations and include the retirement contribution reserve, restricted to fund contributions paid by the District to the New York State Teachers' Retirement System (TRS) and New York State and Local Employees' Retirement System (ERS); the capital reserve, which is dedicated for future renovations or equipment as approved by the District's voters; and an employee benefit accrued liability reserve, which must be used to pay future accumulated vacation and sick time. Other restricted resources include amounts held for student scholarships and the debt service, workers' compensation, unemployment insurance, liability, and insurance reserves.

Current and other assets increased by $11,253,000 ($1,014,000 increase in 2021) primarily as a result of the District's proportionate share of the TRS and ERS net pension positions resulting in an asset of $7,862,000 compared to a liability of $1,238,000 in 2021. Fluctuations are largely a result of changes in actuarial assumptions. In addition, positive operating results caused an increase in cash and investments. Capital assets decreased $1,117,000 ($1,285,000 increase in 2021) due to depreciation and amortization expense exceeding capital spending of $1,074,000.

Long-term liabilities decreased by $3,127,000 ($3,387,000 decrease in 2021) also as a result of the decrease of $1,238,000 in the TRS and ERS net pension liability as well as principal repayments of $2,399,000 on bonds and leases outstanding with the implementation of GASB 87.

Changes in deferred outflows and deferred inflows of resources include changes in pension activity at the State level which are required to be reflected in the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems after the measurement date, and as such are not included in the current net position. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions related to pensions. Also included in deferred outflows and deferred inflows of resources are differences between expected and actual experience and changes of assumptions related to the District's total OPEB liability.

Condensed Statement of Activities	2022	2021	Change $	Change %
Revenues				
Program revenues				
Charges for services	$ 228,000	$ 135,000	$ 93,000	68.9%
Operating and capital grants and contributions	3,383,000	2,182,000	1,201,000	55.0%
General revenues				
Property taxes and sales tax	9,322,000	9,297,000	25,000	0.3%
State aid	14,739,000	14,238,000	501,000	3.5%
Other	343,000	435,000	(92,000)	(21.1%)
Total revenues	28,015,000	26,287,000	1,728,000	6.6%
Expenses				
Instruction	16,235,000	16,309,000	(74,000)	(0.5%)
Support services				
General support	3,788,000	3,370,000	418,000	12.4%
Pupil transportation	1,544,000	2,043,000	(499,000)	(24.4%)
Food service	541,000	446,000	95,000	21.3%
Interest	403,000	299,000	104,000	34.8%
Total expenses	22,511,000	22,467,000	44,000	0.2%
Change in net position	5,504,000	3,820,000	1,684,000	44.1%
Net position – beginning	29,681,000	25,861,000	3,820,000	14.8%
Cumulative effect of a change in accounting principle	(11,000)		(11,000)	
Net position – ending	$ 35,174,000	$ 29,681,000	$ 5,493,000	18.5%

District revenues increased $1,728,000 in 2022 (8.1% or $1,959,000 increase in 2021). State aid increased $501,000 ($1,127,000 or 8.6% increase in 2021) primarily from increases in general aid. The increase of $1,201,000 in operating and capital grants and contributions ($716,000 or 48.8% increase in 2021) was primarily due to an increase in grants received from the Education Stabilization Fund of $1,335,000 as well as an increase in Federal reimbursement from the Child Nutrition Cluster of $221,000.

Total expenses increased $44,000 ($1,174,000 or 5.0% decrease in 2021). Payroll increased $758,000 or 7.6% ($190,000 or 1.9% decrease in 2021) due to contractual increases and new hires offsetting retirements at the end of 2021. Depreciation and amortization of capital assets, which are allocated amongst all instruction and support services, increased $579,000 from 2021. Interest increased $104,000 ($305,000 or 50.5% decrease in 2021) due to a reduction in debt along with amortization of bond premiums and a defeasance loss on a refunding, which offset interest by $177,000 in the prior year. These increases were offset by a decrease of $2,300,000 in employee benefits ($504,000 or 9.4% decrease in 2021), which are also allocated amongst all instruction and support services expenses and include pension expense, OPEB expense, and health insurance premiums. This decrease is due to changes in actuarial estimates for both pensions and OPEB.

Financial Analysis of the District's Funds

Total fund balances for the governmental funds increased $3,391,000 from $11,895,000 to $15,286,000 as follows:

- Total fund revenue increased $1,803,000 or 6.9% (increase of $1,958,000 or 8.1% in 2021) and total fund expenditures decreased by $250,000 or 1.0% (decrease of $8,769,000 or 25.6% in 2021). The overall revenue increase is due to increases in State and Federal aid as previously mentioned. The overall decrease in expenditures is due to a reduction in capital outlay expenditures by $1,948,000 or 71.7% ($8,763,000 or 76.3% decrease in 2021) as the 2018 improvements project was essentially completed in the prior year. This decrease was offset by increases in salaries as discussed above.
- The general fund experienced a decrease in fund balance of $109,000, compared to an increase in fund balance of $3,647,000 in 2021. This change was attributable to an increase in transfers to other funds of $4,672,000, offset by the changes in revenue and expenses described above.

General Fund Budgetary Highlights

The revenue budget for 2022 was $24,566,000, with actual revenues amounting to $24,672,000, a favorable variance of $106,000 or 0.4%. This was primarily caused by BOCES refunds included in miscellaneous sources in excess of budgeted amounts.

Actual expenditures and carryover encumbrances were less than the final budget by $2,231,000 or 10.2%. The difference is attributable to many factors and many unknown items at the time the budget is prepared. The District was able to generate savings in central services, teaching, programs for children with disabilities, and pupil transportation.

Capital Assets

	2022	2021
Land	$ 139,000	$ 139,000
Construction in progress	650,000	249,000
Buildings and improvements	61,292,000	61,234,000
Machinery and equipment	4,782,000	4,617,000
	66,863,000	66,239,000
Accumulated depreciation	(24,445,000)	(22,375,000)
	42,418,000	43,864,000
Right-to-use leased equipment, net	329,000	-
	$ 42,747,000	$ 43,864,000

The decrease in capital assets in the current year is a result of current year additions of $1,074,000 offset by depreciation expense, amortization expense, and disposals of $2,496,000. The difference of $305,000 represents the beginning of year impact from the implementation of GASB 87.

Debt

At June 30, 2022, the District had $19,089,000 in bonds and leases outstanding, with $2,445,000 due within one year ($20,370,000 of bonds outstanding at June 30, 2021). Outstanding compensated absences payable were $5,442,000, with $852,000 expected to be paid within one year ($5,277,000 outstanding at June 30, 2021).

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

Current Financial Issues and Concerns

The extent of the impact of COVID-19 on the District's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on school districts, including its residents, employees, and vendors, none of which can be predicted. Federal revenue sources have increased due to additional pandemic-related funding, but the full extent of Federal assistance is not yet known. The District will need to plan accordingly to ensure continuity of programs upon the eventual reduction in these funds.

School districts in New York State are also impacted by the political pressures imposed on elected officials in funding of education. Year to year changes in funding levels and State aid formulas complicate this planning process.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lori Prinz, School Business Administrator, Byron-Bergen Central School District, 6917 W. Bergen Road, Bergen, New York 14416-9747.

Statement of Net Position

June 30, 2022

Assets	
Cash	$ 5,901,925
Due from other governments	863,475
Investments	9,205,484
State and federal aid receivable	1,403,190
Inventory	22,371
Net pension asset	7,861,745
Capital assets (Note 6)	67,537,505
Accumulated depreciation and amortization	(24,790,142)
Total assets	68,005,553
Deferred Outflows of Resources	
Defeasance loss	74,004
Deferred outflows of resources related to pensions	5,475,825
Deferred outflows of resources related to OPEB	760,678
Total deferred outflows of resources	6,310,507
Liabilities	
Accounts payable	417,708
Accrued liabilities	196,910
Due to retirement systems	934,322
Unearned revenue	119,701
Bond anticipation notes	462,258
Long-term liabilities	
Due within one year:	
Leases	149,661
Bonds	2,295,000
Compensated absences	852,000
Due beyond one year:	
Leases	179,777
Bonds and related premiums	16,465,058
Compensated absences	4,590,000
Total OPEB liability	1,645,789
Total liabilities	28,308,184
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	10,055,936
Deferred inflows of resources related to OPEB	778,306
Total deferred inflows of resources	10,834,242
Net Position	
Net investment in capital assets	26,697,100
Restricted	6,302,813
Unrestricted	2,173,721
Total net position	$ 35,173,634

See accompanying notes.

Statement of Activities

For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Governmental activities				
General support	$ 3,788,202	$ 54,000	$ -	**$ (3,734,202)**
Instruction	16,234,500	115,643	2,647,789	**(13,471,068)**
Pupil transportation	1,544,288	-	-	**(1,544,288)**
Interest expense	403,060	-	-	**(403,060)**
School food service	541,111	58,813	734,935	**252,637**
	$ 22,511,161	$ 228,456	$ 3,382,724	**(18,899,981)**
General revenues				
Real property and sales taxes				**9,322,215**
Miscellaneous				**343,096**
State aid				**14,738,593**
Total general revenues				**24,403,904**
Change in net position				**5,503,923**
Net position - beginning				**29,680,688**
Cumulative effect of a change in accounting principle (Note 2)				**(10,977)**
Net position - beginning as restated				**29,669,711**
Net position - ending				**$ 35,173,634**

See accompanying notes.

Balance Sheet - Governmental Funds

June 30, 2022

	General	Capital Projects	Special Aid	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Assets							
Cash	$ 3,871,321	$ 480,023	$ 180,228	$ 910,376	$ 453,461	$ 6,516	**$ 5,901,925**
Due from other governments	863,475	-	-	-	-	-	**863,475**
Investments	6,509,115	2,002,515	-	-	-	693,854	**9,205,484**
State and federal aid receivable	277,351	-	1,007,101	-	118,738	-	**1,403,190**
Due from other funds, net	126,613	995,598	-	1,321	-	-	**1,123,532**
Inventory	-	-	-	-	22,371	-	**22,371**
Total assets	$ 11,647,875	$ 3,478,136	$ 1,187,329	$ 911,697	$ 594,570	$ 700,370	**$ 18,519,977**
Liabilities and Fund Balances							
Accounts payable	$ 365,448	$ 50,649	$ -	$ -	$ 1,611	$ -	**$ 417,708**
Accrued liabilities	170,253	-	-	-	6,457	-	**176,710**
Due to retirement systems	930,617	-	-	-	3,705	-	**934,322**
Due to other funds, net	-	-	1,123,532	-	-	-	**1,123,532**
Unearned revenue	45,404	10,500	63,797	-	-	-	**119,701**
Bond anticipation notes	-	462,258	-	-	-	-	**462,258**
Total liabilities	1,511,722	523,407	1,187,329	-	11,773	-	**3,234,231**
Fund Balances							
Nonspendable	-	-	-	-	22,371	400,000	**422,371**
Restricted	5,090,746	2,954,729	-	911,697	-	300,370	**9,257,542**
Committed	444,023	-	-	-	-	-	**444,023**
Assigned	626,413	-	-	-	560,426	-	**1,186,839**
Unassigned	3,974,971	-	-	-	-	-	**3,974,971**
Total fund balances	10,136,153	2,954,729	-	911,697	582,797	700,370	**15,285,746**
Total liabilities and fund balances	$ 11,647,875	$ 3,478,136	$ 1,187,329	$ 911,697	$ 594,570	$ 700,370	**$ 18,519,977**

See accompanying notes.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2022

Total fund balances - governmental funds		$ 15,285,746
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		42,747,363
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide statements.		74,004
The District's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized in the government-wide statements and include:		
Net pension asset	7,861,745	
Deferred outflows of resources related to pensions	5,475,825	
Deferred inflows of resources related to pensions	(10,055,936)	3,281,634
The District's total OPEB liability as well as OPEB-related deferred outflows and deferred inflows of resources are recognized on the government-wide statements and include:		
Deferred outflows of resources related to OPEB	760,678	
Total OPEB liability	(1,645,789)	
Deferred inflows of resources related to OPEB	(778,306)	(1,663,417)
Certain liabilities are not due and payable currently and therefore are not reported as liabilities in the governmental funds. These liabilities are:		
Leases	(329,438)	
Bonds and related premiums	(18,760,058)	
Accrued interest	(20,200)	
Compensated absences	(5,442,000)	(24,551,696)
Net position - governmental activities		$ 35,173,634

See accompanying notes.

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the year ended June 30, 2022

	General	Capital Projects	Special Aid	Debt Service	Food Service	Miscellaneous Special Revenue	Total Governmental Funds
Revenues							
Real property taxes	$ 7,545,076	$ -	$ -	$ -	$ -	$ -	**$ 7,545,076**
Real property tax items	1,711,444	-	-	-	-	-	**1,711,444**
Nonproperty taxes	65,695	-	-	-	-	-	**65,695**
Charges for services	105,205	-	-	-	-	-	**105,205**
Use of money and property	69,859	971	-	1,942	-	1,131	**73,903**
Sale of property and compensation for loss	19,612	-	-	-	-	-	**19,612**
Miscellaneous	386,663	-	-	-	2,417	1,925	**391,005**
State sources	14,738,593	-	114,284	-	75,131	-	**14,928,008**
Federal sources	29,478	-	2,504,027	-	659,804	-	**3,193,309**
Sales	-	-	-	-	56,396	-	**56,396**
Total revenues	24,671,625	971	2,618,311	1,942	793,748	3,056	**28,089,653**
Expenditures							
General support	2,504,643	-	-	-	115,116	-	**2,619,759**
Instruction	10,456,951	-	2,307,099	-	-	5,411	**12,769,461**
Pupil transportation	1,137,427	224,278	9,711	-	-	-	**1,371,416**
Employee benefits	3,742,321	-	276,703	-	38,520	-	**4,057,544**
Debt service						-	
Principal	158,522	-	-	2,664,508	-	-	**2,823,030**
Interest	3,626	-	-	515,611	-	-	**519,237**
Cost of sales	-	-	-	-	364,858	-	**364,858**
Capital outlay	-	769,353	-	-	60	-	**769,413**
Total expenditures	18,003,490	993,631	2,593,513	3,180,119	518,554	5,411	**25,294,718**
Excess revenues (expenditures)	6,668,135	(992,660)	24,798	(3,178,177)	275,194	(2,355)	**2,794,935**
Other financing sources (uses)							
Lease proceeds	-	171,755	-	-	-	-	**171,755**
BANs redeemed from appropriations	-	424,508	-	-	-	-	**424,508**
Operating transfers, net	(6,777,038)	3,596,919	-	3,180,119	-	-	**-**
Total other financing sources (uses)	(6,777,038)	4,193,182	-	3,180,119	-	-	**596,263**
Net change in fund balances	(108,903)	3,200,522	24,798	1,942	275,194	(2,355)	**3,391,198**
Fund balances (deficit) - beginning	10,245,056	(245,793)	(24,798)	909,755	307,603	702,725	**11,894,548**
Fund balances - ending	$ 10,136,153	$ 2,954,729	$ -	$ 911,697	$ 582,797	$ 700,370	**$ 15,285,746**

See accompanying notes.

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the year ended June 30, 2022

Total net change in fund balances - governmental funds		$ 3,391,198
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of the assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation and amortization expense and disposals exceed capital outlays.		(1,421,159)
Pension expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:		
2022 TRS and ERS contributions	1,110,624	
2022 ERS accrued contribution	85,802	
2021 ERS accrued contribution	(98,521)	
2022 TRS pension income	409,819	
2022 ERS pension expense	(74,146)	1,433,578
OPEB expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		(77,638)
Leases are recorded as other financing sources in the governmental funds but increase long-term liabilities in the statement of net position.		(171,755)
Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.		2,398,522
In the statement of activities, certain expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Amortization of bond premiums and defeasance loss	109,677	
Interest	6,500	
Compensated absences	(165,000)	(48,823)
Change in net position - governmental activities		$ 5,503,923

See accompanying notes.

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (Non-GAAP) and Actual - General Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual		Variance with
	Original	Final	(Budgetary Basis)	Encumbrances	Final Budget Over/(Under)
Revenues					
Local sources					
Real property taxes	$ 7,524,961	$ 7,524,961	**$ 7,545,076**		$ 20,115
Real property tax items	1,725,075	1,725,075	**1,711,444**		(13,631)
Nonproperty taxes	35,000	35,000	**65,695**		30,695
Charges for services	42,000	42,000	**105,205**		63,205
Use of money and property	69,000	69,000	**69,859**		859
Sale of property and compensation for loss	5,000	5,000	**19,612**		14,612
Miscellaneous	145,800	145,800	**386,663**		240,863
State sources	14,789,229	14,789,229	**14,738,593**		(50,636)
Federal sources	230,000	230,000	**29,478**		(200,522)
Total revenues	24,566,065	24,566,065	**24,671,625**		105,560
Expenditures					
General support					
Board of education	26,450	26,450	**24,073**	-	(2,377)
Central administration	258,199	263,172	**241,846**	422	(20,904)
Finance	372,545	378,538	**301,564**	-	(76,974)
Staff	120,057	179,616	**169,566**	-	(10,050)
Central services	2,072,707	1,965,349	**1,400,619**	164,232	(400,498)
Special items	418,120	436,620	**366,975**	-	(69,645)
Instruction					
Instruction, administration, and improvement	689,067	704,403	**592,843**	-	(111,560)
Teaching - regular school	6,407,554	5,828,355	**5,446,225**	24,204	(357,926)
Programs for children with handicapping conditions	3,047,112	2,543,258	**2,209,724**	-	(333,534)
Occupational education	772,875	780,190	**640,418**	-	(139,772)
Teaching - special schools	49,200	50,440	**25,110**	-	(25,330)
Instructional media	766,550	713,019	**657,797**	5,153	(50,069)
Pupil services	1,120,727	1,158,490	**884,834**	-	(273,656)
Pupil transportation	1,299,186	1,476,186	**1,137,427**	7,402	(331,357)
Community service	4,000	4,000	**-**	-	(4,000)
Employee benefits	4,511,218	3,765,288	**3,742,321**	-	(22,967)
Debt service					
Principal	-	158,563	**158,522**	-	(41)
Interest	-	3,630	**3,626**	-	(4)
Total expenditures	21,935,567	20,435,567	**18,003,490**	201,413	(2,230,664)
Excess revenues (expenditures)	2,630,498	4,130,498	**6,668,135**	(201,413)	2,336,224
Other financing sources (uses)					
Operating transfers in	-	-	**3,081**		3,081
Operating transfers out	(3,280,120)	(6,780,120)	**(6,780,119)**		(1)
Appropriated fund balance, reserves, and carryover encumbrances	649,622	2,649,622	**-**		(2,649,622)
Total other financing sources (uses)	(2,630,498)	(4,130,498)	**(6,777,038)**		(2,646,540)
Excess revenues (expenditures) and other financing sources (uses)	$ -	$ -	**$ (108,903)**	$ (201,413)	$ (310,316)

See accompanying notes.

Statement of Fiduciary Net Position - Custodial Fund

June 30, 2022

Assets		
Cash	**$**	**93,735**
Net Position		
Extraclassroom activity balances	**$**	**93,735**

* * *

BYRON-BERGEN CENTRAL SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position - Custodial Fund

For the year ended June 30, 2022

Additions		
Student activity receipts	**$**	**68,246**
Deductions		
Student activity disbursements		**69,621**
Change in net position		**(1,375)**
Net position - beginning		**95,110**
Net position - ending	**$**	**93,735**

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

Byron-Bergen Central School District (the District) is governed by Education and other laws of the State of New York (the State). The District's Board of Education has responsibility and control over all activities related to public school education within the District. The District's Superintendent is the chief executive officer and the President of the Board serves as the chief fiscal officer. The Board members are elected by the public and have decision-making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters.

The District provides education and support services such as administration, transportation, and plant maintenance. The District receives funding from local, state, and federal sources and must comply with requirements of these funding sources. However, the District is not included in any other governmental reporting entity as defined by accounting principles generally accepted in the United States of America, nor does it contain any component units.

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

Joint Venture

The District is one of 22 participating school districts in the Genesee Valley BOCES (BOCES). Formed under §1950 of Education Law, a BOCES is a voluntary cooperative association of school districts in a geographic area that shares planning, services, and programs, and also provides educational and support activities. There is no authority or process by which the District can terminate its status as a component of BOCES.

The component school district boards elect the members of the BOCES governing body. There are no equity interests and no single participant controls the financial or operating policies. BOCES may also contract with other municipalities on a cooperative basis under State General Municipal Law.

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

During the year ended June 30, 2022, the District was billed $3,486,000 for BOCES administrative and program costs and recognized revenue of $338,000 as a refund from prior year expenditures paid to BOCES and $54,000 in rental and other income. Audited financial statements are available from BOCES' administrative offices.

Public Entity Risk Pools

The District participates in the Genesee Area Healthcare Plan and the Genesee County Self-Insurance Workers' Compensation Plan, which are public entity risk pools. These plans are designed to provide health insurance and workers' compensation coverage for participating entities. These activities are further discussed in Note 11.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) grants and contributions limited to the purchase of specific capital assets, if any. Revenues that are not classified as program revenues, including all taxes and state aid, are presented as general revenues.

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

The District reports the following major funds:

- *General fund.* This is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- *Special aid fund.* This fund is used to account for the proceeds of specific revenue sources – other than expendable trusts or major capital projects – such as federal, state, and local grants and awards that are restricted or committed to expenditure for specific purposes. Either governments or other third parties providing the grant funds impose these restrictions.
- *Debt service fund.* This fund is used to account for resources that are restricted, committed, or assigned to expenditure for principal and interest. Financial resources that are being accumulated for principal and interest payments maturing in future years are also included in this fund.

The District also elected to display the following as major funds:

- *Food service fund.* This fund is a special revenue fund whose specific revenue sources, including free and reduced meal subsidies received from state and federal programs, are assigned to the operation of the District's breakfast and lunch programs.
- *Miscellaneous special revenue fund.* This fund is used to account for resources that are restricted to student scholarships. Donations are made by third parties and District personnel manage the funds and assist with determination of scholarship recipients.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District maintains a custodial fund for the collection and distribution of student activity accounts.

Basis of Accounting and Measurement Focus

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within ninety days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

Estimates

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

Property Taxes

The District levies real property taxes no later than September 1. For the year ended June 30, 2022, the tax lien was issued on August 5, 2021 for collection from September 1, 2021 through October 31, 2021. Thereafter, uncollected amounts became the responsibility of Monroe, Orleans, and Genesee Counties. Such amounts were submitted to the District by April 1st of the following year as required by law.

The District is subject to tax abatements granted by the Genesee County Industrial Development Agency (GCIDA), a public benefit corporation created by an act of the New York State Legislature to promote and assist private sector industrial and business development. Through GCIDA, companies promise to expand or maintain facilities or employment within the communities served by the District, to establish a new business, or to relocate an existing business to the communities. Economic development agreements entered into by GCIDA can include the abatement of county, town, and school district taxes, in addition to other assistance. In the case of the District, these abatements have resulted in reductions of property taxes, which the District administers as temporary reductions in the assessed value of the properties involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100%.

For the year ended June 30, 2022, the District's taxes were abated $79,000 under these agreements. However, because the abated amounts are spread across the District's entire tax base, there is no impact on the overall property taxes collected.

Budget Process, Amendments, and Encumbrances

District administration prepares a proposed budget for the general fund requiring approval by the Board. A public hearing is held upon completion and filing of the tentative budget. Subsequently, the budget is adopted by the Board. The proposed budget is then presented to voters of the District. The budget for the fiscal year beginning July 1, 2021 was approved by a majority of the voters in a general election held on May 18, 2021.

Annual appropriations are adopted and employed for control of the general fund. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year may be increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

Major capital expenditures are subject to individual project budgets based on the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and again in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At July 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Investments

Investments include certificates of deposit, repurchase agreements, and U.S. Treasury Securities held in external investment pools and recorded at fair value.

Inventory

Inventory consists of food and similar goods related to food service operations and is recorded at the lower of first-in, first-out cost or net realizable value. Donated commodities are stated at values which approximate market.

Capital Assets

Capital assets are generally reported at actual or estimated historical cost based on appraisals. Financed right-to-use lease assets are recorded at the present value of the lease liability. Contributed assets are recorded at fair value at the time received. Depreciation and amortization are provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	$ 50,000	15-50
Machinery and equipment	$ 5,000	5-25

Bond Defeasances

In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

Bond Premiums

Premiums received upon the issuance of debt are included as other financing sources in the governmental funds statements when issued. In the government-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

Pensions

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems) as mandated by State law. The Systems recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the District recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense (revenue), and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

Other Postemployment Benefits (OPEB)

On the government-wide statements, the total OPEB liability, deferred outflows and deferred inflows of resources, and OPEB expense for the District's defined benefit healthcare plan (Note 10) have been measured on the same basis as reported by the plan. Benefit payments are due and payable in accordance with benefit terms.

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and those expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with administrative and employee groups which provide for the payment of accumulated sick time at retirement or the option of converting this vested amount to provide for payment of health insurance until exhausted.

The government-wide financial statements reflect the entire liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expendable available financial resources.

Equity Classifications

Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any related debt obligations that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the District's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the District.

Governmental Fund Statements

The District considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget. Within unrestricted fund balance, the District considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Fund balance is categorized as follows:

Nonspendable:		
Inventory	$	22,371
Scholarships		400,000
Restricted:		
Debt service		911,697
Liability		205,868
Unemployment insurance		127,388
Capital		3,963,467
Employee benefit accrued liability		1,540,559
Insurance		102,836
Retirement contribution		1,671,357
Workers' compensation		434,000
Scholarships		300,370
Committed		444,023
Assigned:		
Designated for subsequent years		425,000
Encumbrances		201,413
Food service		560,426
Unassigned		3,974,971
	$	15,285,746

Nonspendable fund balances represents resources that cannot be spent as they are not expected to be converted to cash and include inventory and the principal portion of scholarships required to remain intact.

Restricted fund balances generally result from reserves created by the State of New York Legislature and included in General Municipal Law, State Education Law, or Real Property Tax Law as authorized for use by the Board of Education. Certain reserves may require voter approval for their establishment and/or use. Earnings on invested resources are required to be added to the various reserves.

Fund balance restrictions include the following reserves:

- *Debt service* – is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond and BAN premiums), and remaining bond proceeds not needed for their original purpose as required under §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.
- *Liability* – is used to pay for liability claims incurred. Annual funding of this reserve may not exceed 3% of the budget.
- *Unemployment insurance* – is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants as the District has elected to use the benefit reimbursement method.
- *Capital* – is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. Voter authorization is required for both the establishment of the reserve and payments from the reserve. In 2019 and 2022, voters approved the establishment of two reserves, with funding not to exceed $2,000,000 and $1,000,000, plus interest, respectively, over a 10-year period. These reserves have been fully funded. Amounts remaining and available for use at June 30, 2022 total $1,008,738.
- *Employee benefit accrued liability* – is used to account for the payment of accumulated vacation and sick time due upon termination of an employee's services. It is established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- *Insurance* – is used to pay liability, casualty, and other types of losses except losses incurred for which insurance may be purchased. The amount is funded through budgetary appropriations which may not exceed 5% of the budget.
- *Retirement contribution* – is used to finance retirement contributions payable to TRS and ERS. For TRS, funding is limited to 2% annually of eligible salaries with a maximum reserve of 10% of eligible salaries. At June 30, 2022, the retirement contribution reserve includes $609,149 for TRS and $1,062,208 for ERS.
- *Workers' compensation* – is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this program.

Restricted fund balance also includes the spendable portion of scholarships donated to the District by third parties for the benefit of students.

Committed fund balances are authorized by the Board of Education as recommended by the District's management prior to the end of the fiscal year, although funding of the commitment may be established subsequent to year end. Committed fund balance represents amounts authorized by the Board for payment of certain employee benefits.

Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board of Education has given the District's management the authority to assign fund balances for specific purposes that are neither restricted nor committed.

Interfund Balances

The operations of the District include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the District's practice to settle these amounts at the net balances due between funds.

2. Change in Accounting Principle

Effective July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The impact of these required accounting changes on the District's government-wide activity is as follows:

Net position, July 1, 2021	$ 29,680,688
Right-to-use lease assets	501,778
Accumulated amortization	(196,550)
Lease liability	(316,205)
Net position, as restated, July 1, 2021	$ 29,669,711

3. Stewardship and Compliance

The District's unassigned fund balance in the general fund exceeds 4% of the 2023 budget, which is a limitation imposed by New York State Real Property Tax Law §1318.

4. Cash and Investments

Cash management is governed by State laws and as established in the District's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District's banking policies permit the Treasurer to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. At June 30, 2022, the District's bank deposits were fully insured by FDIC coverage or collateralized with securities held in trust by the pledging institution's agent or an undivided security interest in pooled assets in the District's name.

Credit risk is the risk of loss attributed to the magnitude of the District's investments in a single issuer. The District's external investment pool is rated AAAm from Standard and Poor's Global Ratings.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the District's external investment pool limits the maturity dates of its investments. The dollar weighted average days to maturity (WAM) at June 30, 2022 is 34 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the pool is 36 days.

5. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers In	Transfers Out
General	$ 1,123,532	$ 996,919	$ 3,081	$ 6,780,119
Capital projects	996,919	1,321	3,600,000	3,081
Special aid	-	1,123,532	-	-
Debt service	1,321	-	3,180,119	-
	$ 2,121,772	$ 2,121,772	$ 6,783,200	$ 6,783,200

The District's general fund provides cash flow to the various other funds; these amounts are repaid in the subsequent year when funds are received from the State after final expenditure reports have been submitted and approved or when permanent financing is obtained. The general fund made permanent transfers to the capital projects fund to contribute the local share of several capital projects and to the debt service fund for principal and interest payments.

6. Capital Assets

	July 1, 2021 (As Restated)	Increases	Retirements/ Reclassifications	June 30, 2022
Non-depreciable and non-amortizable capital assets:				
Land	$ 139,383	$ -	$ -	$ 139,383
Construction in progress	248,302	597,598	(195,338)	650,562
Total non-depreciable and non-amortizable assets	387,685	597,598	(195,338)	789,945
Depreciable capital assets:				
Buildings and improvements	61,234,178	37,280	20,583	61,292,041
Machinery and equipment	4,616,712	267,292	(102,018)	4,781,986
Total depreciable assets	65,850,890	304,572	(81,435)	66,074,027
Less accumulated depreciation:				
Buildings and improvements	19,674,936	1,872,986	-	21,547,922
Machinery and equipment	2,700,345	399,378	(202,204)	2,897,519
Total accumulated depreciation	22,375,281	2,272,364	(202,204)	24,445,441
Total depreciable assets, net	43,475,609	(1,967,792)	120,769	41,628,586
Right-to-use lease assets:				
Equipment	501,778	171,755	-	673,533
Less accumulated amortization	196,550	148,151	-	344,701
Total right-to-use assets, net	305,228	23,604	-	328,832
	$ 44,168,522	$ (1,346,590)	$ (74,569)	$ 42,747,363

Depreciation and amortization expense have been allocated to the following functions: general support $231,513, instruction $1,980,286, pupil transportation $186,099, and food service $22,617.

At June 30, 2022, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation and amortization	$ 42,747,363
Defeasance loss	74,004
Bonds anticipation notes	(462,258)
Lease liability	(329,438)
Bonds and related premiums, net of unspent proceeds	(15,332,571)
	$ 26,697,100

7. Short-Term Debt

Aggregate bond anticipation notes (BANs) outstanding at June 30, 2022 amounted to $462,258 and carried interest at 0.34%. In 2022, BANs of $249,850 were issued and $424,508 were redeemed from appropriations. In July 2022, the District redeemed its remaining BANs.

8. Long-Term Liabilities

	July 1, 2021 (As Restated)	Increases	Decreases	June 30, 2022	Amount Due in One Year
Leases	$ 316,205	$ 171,755	$ 158,522	$ 329,438	$ 149,661
Bonds	20,370,000	-	2,240,000	18,130,000	2,295,000
Bond premiums	758,236	-	128,178	630,058	-
Compensated absences	5,277,000	165,000	-	5,442,000	852,000
	$ 26,721,441	$ 336,755	$ 2,526,700	$ 24,531,496	$ 3,296,661

Existing Obligations

Description	Maturity	Rate	Balance
Serial bonds – 2020	June 2035	2%	$ 13,505,000
Refunding bonds – 2020	June 2026	1%-4%	4,625,000
Equipment lease – 2019	January 2024	2.58%	4,571
Equipment lease – 2019	March 2024	1.58%	28,336
Equipment lease – 2020	October 2022	1.78%	1,908
Equipment lease – 2020	November 2022	1.78%	8,408
Equipment lease – 2020	October 2024	1.78%	30,697
Equipment lease – 2021	October 2025	0.93%	31,767
Equipment lease – 2021	February 2024	0.93%	80,851
Equipment lease – 2022	November 2024	0.34%	92,861
Equipment lease – 2022	November 2026	0.34%	50,039
			$ 18,459,438

Debt Service Requirements

	Bonds		Leases	
Years ending June 30,	Principal	Interest	Principal	Interest
2023	$ 2,295,000	$ 455,100	$ 149,661	$ 2,111
2024	2,285,000	383,100	118,950	823
2025	2,360,000	310,300	41,473	184
2026	1,520,000	234,900	14,601	43
2027	985,000	193,400	4,753	4
2028 – 2032	5,315,000	661,500	-	-
2033 – 2035	3,370,000	133,300	-	-
	$ 18,130,000	$ 2,371,600	$ 329,438	$ 3,165

9. Pension Plans

Plan Descriptions

The District participates in the following cost-sharing, multiple employer, public employee retirement systems:

- TRS is administered by the New York State Teachers' Retirement Board and provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained from the New York State Teachers' Retirement System at www.nystrs.org.
- ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3.5% (TRS) or 3% (ERS) of compensation throughout their active membership in the Systems. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. Pursuant to Article 11 of Education Law, an actuarially determined contribution rate is established annually for TRS by the New York State Teachers' Retirement Board. This rate was 9.80% for 2022. For ERS, the Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the District to the pension accumulation fund. For 2022, these rates ranged from 10.7% - 25.2%.

The amount outstanding and payable to TRS for the year ended June 30, 2022 was $770,718. A liability to ERS of $85,802 is also accrued based on the District's legally required contribution for employee services rendered from April 1 through June 30, 2022.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

At June 30, 2022, the District reported an asset of $7,306,843 for its proportionate share of the TRS net pension position and an asset of $554,902 for its proportionate share of the ERS net pension position.

The TRS total pension liability at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures applied to roll forward the total pension liability to June 30, 2021. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to TRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At June 30, 2021, the District's proportion was 0.042165%, a decrease of 0.002414 from its proportion measured as of June 30, 2020.

The ERS total pension liability at the March 31, 2022 measurement date was determined by an actuarial valuation as of April 1, 2021, with update procedures applied to roll forward the total pension liability to March 31, 2022. The District's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2022, the District's proportion was 0.0067881%, an increase of 0.0001444 from its proportion measured as of March 31, 2021.

For the year ended June 30, 2022, the District recognized pension income of $335,673 on the government-wide statements (TRS income of $409,819 and ERS expense of $74,146). At June 30, 2022, the District reported deferred outflows and deferred inflows of resources as follows:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,007,171	$ (37,962)	$ 42,024	$ (54,507)
Changes of assumptions	2,403,374	(425,602)	926,070	(15,626)
Net difference between projected and actual earnings on pension plan investments	-	(7,647,368)	-	(1,817,072)
Changes in proportion and differences between contributions and proportionate share of contributions	143,813	(48,667)	96,853	(9,132)
District contributions subsequent to the measurement date	770,718	-	85,802	-
	$ 4,325,076	$ (8,159,599)	$ 1,150,749	$ (1,896,337)

District contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,	TRS	ERS
2023	$ (933,770)	$ (105,508)
2024	(1,101,208)	(178,866)
2025	(1,370,713)	(457,431)
2026	(1,818,660)	(89,585)
2027	365,023	-
Thereafter	254,087	-
	$ (4,605,241)	$ (831,390)

Actuarial Assumptions

For TRS, the actuarial assumptions used in the June 30, 2020 valuation, with update procedures used to roll forward the total pension liability to June 30, 2021, were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. These assumptions are:

Inflation – 2.4%
Salary increases – Based on TRS member experience, dependent on service, ranging from 1.95%-5.18%
Projected Cost of Living Adjustments (COLA) – 1.3% compounded annually
Investment rate of return – 6.95% compounded annually, net of investment expense, including inflation
Mortality – Based on TRS member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020, applied on a generational basis
Discount rate – 6.95%

The long-term expected rate of return on TRS pension plan investments was determined in accordance with Actuarial Standard of Practice No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation, with update procedures used to roll forward the total pension liability to March 31, 2022, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.7%
Salary increases – 4.4%
COLA – 1.4% annually
Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation
Mortality – Society of Actuaries' Scale MP-2020
Discount rate – 5.9%

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

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long term inflation assumption) for each major asset class included in the Systems' target asset allocations as of the applicable valuation dates are summarized as follows:

	TRS		ERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	33%	6.8%	32%	3.3%
Global and international equities	20%	7.1%-7.6%	15%	5.9%
Private equities	8%	10.0%	10%	6.5%
Real estate	11%	6.5%	9%	5.0%
Domestic fixed income securities	16%	1.3%	23%	-
Global fixed income securities	2%	0.8%	-	-
Bonds and mortgages	7%	3.3%	-	-
Short-term	1%	(0.2)%	1%	(1.0)%
Other	2%	3.8%-5.9%	10%	3.8-5.8%
	100%		100%	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the District's proportionate share of its net pension position calculated using the discount rate of 6.95% (TRS) and 5.9% (ERS) and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
District's proportionate share of the TRS net pension asset (liability)	$ 766,747	$ 7,306,843	$ 12,803,320
District's proportionate share of the ERS net pension asset (liability)	$ (1,428,312)	$ 554,902	$ 2,213,765

10. OPEB

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan) providing for continuation of medical insurance benefits for District employees and their spouses based on various bargaining unit agreements and individual contracts. Eligibility for benefits is based on covered employees who retire from the District at age 55 or older and have met vesting requirements. The Plan provides an implicit rate subsidy for retirees that choose to remain on the District's healthcare plans at their own expense subsequent to retirement. The Plan has no assets, does not issue financial statements, and is not a trust.

At July 1, 2020, employees covered by the Plan include:

Active employees	121
Inactive employees or beneficiaries currently receiving benefits	72
Inactive employees entitled to but not yet receiving benefits	-
	193

Total OPEB Liability

The District's total OPEB liability of $1,645,789 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2020, with update procedures to roll forward the total OPEB liability to June 30, 2022.

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

Healthcare cost trend rates – initially 5.3%, decreasing 0.5% per year to an ultimate rate of 4.1% after 2077
Salary increases – 2.6%
Mortality – Pub-2010 Mortality Table with generational projection of future improvements with Scale MP-2019
Discount rate – 3.54% based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date
Inflation rate – 2.6%

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	$ 1,660,184
Changes for the year:	
Service cost	83,970
Interest	36,891
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(62,372)
Benefit payments	(72,884)
Net changes	(14,395)
Balance at June 30, 2022	$ 1,645,789

The following presents the sensitivity of the District's total OPEB liability to changes in the discount rate, including what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (2.54%)	Discount Rate (3.54%)	1.0% Increase (4.54%)
Total OPEB liability	$ (1,697,216)	$ (1,645,789)	$ (1,573,093)

The following presents the sensitivity of the District's total OPEB liability to changes in the healthcare cost trend rates, including what the District's total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (4.3% to 3.1%)	Healthcare Cost Trend Rate (5.3% to 4.1%)	1.0% Increase (6.3% to 5.1%)
Total OPEB liability	$ (1,491,363)	$ (1,645,789)	$ (1,802,627)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2022, the District recognized OPEB expense of $150,522. At June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 182,163	$ (723,449)
Changes of assumptions or other inputs	578,515	(54,857)
	$ 760,678	$ (778,306)

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

Years ending June 30,	
2023	$ 29,661
2024	29,661
2025	29,661
2026	29,661
2027	11,502
Thereafter	(147,774)
	$ (17,628)

11. Risk Management

General Liability

The District purchases commercial insurance for various risks of loss due to torts, theft, damage, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Health Insurance

The District participates in the Genesee Area Healthcare Plan (the Plan). The Plan has been established to administer a health insurance program to lower the costs of such coverage to the 24 participating members as of June 30, 2021 (the most recent information available).

The District has transferred all risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Refunds are not made nor additional assessments charged other than the annual premium equivalents. If the Plan's assets were to be exhausted, members would be equally responsible for the remaining liabilities.

The Plan has published its own financial report for the year ended June 30, 2021, which can be obtained from Genesee Valley BOCES, 80 Munson Street, LeRoy, NY 14482.

Workers' Compensation

The District participates in the Genesee County Self-Insurance Workers' Compensation Plan (the Plan) sponsored by Genesee County. The Plan administers a workers' compensation insurance fund pursuant to Article 5 of the Workers' Compensation Law to finance the liability and risk related to workers' compensation claims and to lower the costs of coverage to the participating members. The Plan includes 47 members as of December 31, 2021 (the most recent information available).

The District has transferred partial risk to the Plan. Plan members pay monthly premium equivalents based upon a pro-rata share of expenditures. All funds received are pooled and administered as a common fund. Plan members could be subjected, however, to pro-rata supplemental assessments in the event that the Plan's assets are not adequate to meet claims. To date, these supplemental assessments have not been required.

The Plan has published its own financial report for the year ended December 31, 2021 which can be obtained from Genesee County Self-Insurance Workers' Compensation Plan, 15 Main Street, Batavia, NY 14020.

12. Commitments and Contingencies

Grants

The District receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and is subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the District. Based on prior experience, management expects such amounts to be immaterial.

Litigation

The District is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims will not have a material adverse effect upon the financial position of the District.

13. Risks and Uncertainties

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease have required the District to implement numerous safety measures and remote learning initiatives. The full extent of the impact of COVID-19 on the District's operational and financial performance will continue to depend on further developments, including the duration and spread of the outbreak and its impact on school districts and their residents, employees, and vendors, none of which can be predicted.

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State Teachers' Retirement System

As of the measurement date of June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension position	0.042165%	0.044579%	0.045249%	0.045713%	0.046315%	0.044178%	0.044391%	0.043960%	0.045931%
District's proportionate share of the net pension asset (liability)	$ 7,306,843	$ (1,231,847)	$ 1,175,563	$ 826,614	$ 352,039	$ (473,160)	$ 4,610,808	$ 4,896,911	$ 302,339
District's covered payroll	$ 7,156,800	$ 7,566,524	$ 7,552,740	$ 7,446,153	$ 7,339,377	$ 6,817,044	$ 6,805,183	$ 6,580,736	$ 6,788,265
District's proportionate share of the net pension position as a percentage of its covered payroll	102.10%	16.28%	15.56%	11.10%	4.80%	6.94%	67.75%	74.41%	4.45%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%
The following is a summary of changes of assumptions:									
Inflation	2.4%	2.2%	2.2%	2.25%	2.5%	2.5%	3.0%	3.0%	3.0%
Salary increases	1.95%-5.18%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	1.90%-4.72%	4.0%-10.9%	4.0%-10.9%	4.0%-10.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.5%	1.5%	1.5%	1.625%	1.625%	1.625%
Investment rate of return	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Discount rate	6.95%	7.1%	7.1%	7.25%	7.25%	7.5%	8.0%	8.0%	8.0%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA	AA

Data prior to 2013 is unavailable.

Required Supplementary Information
Schedule of District Contributions
New York State Teachers' Retirement System

For the years ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 770,718	$ 682,043	$ 670,394	$ 802,101	$ 729,723	$ 860,175	$ 903,940	$ 1,168,923	$ 1,055,215	$ 796,575
Contribution in relation to the contractually required contribution	(770,718)	(682,043)	(670,394)	(802,101)	(729,723)	(860,175)	(903,940)	(1,168,923)	(1,055,215)	(796,575)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,864,469	$ 7,156,800	$ 7,566,524	$ 7,552,740	$ 7,446,153	$ 7,339,377	$ 6,817,044	$ 6,805,183	$ 6,580,736	$ 6,788,265
Contributions as a percentage of covered payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.18%	16.03%	11.73%

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension position	0.0067881%	0.0066437%	0.0067468%	0.0068015%	0.0068749%	0.0068653%	0.0070527%	0.0066416%
District's proportionate share of the net pension asset (liability)	$ 554,902	$ (6,615)	$ (1,786,596)	$ (481,904)	$ (221,884)	$ (645,081)	$ (1,131,975)	$ (224,368)
District's covered payroll	$ 2,224,998	$ 2,293,915	$ 2,336,602	$ 2,240,209	$ 2,331,766	$ 2,308,649	$ 2,075,859	$ 1,916,607
District's proportionate share of the net pension position as a percentage of its covered payroll	24.94%	0.29%	76.46%	21.51%	9.52%	27.94%	54.53%	11.71%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

The following is a summary of changes of assumptions:

Inflation	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

Required Supplementary Information
Schedule of District Contributions
New York State and Local Employees' Retirement System

For the years ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 339,906	$ 315,908	$ 320,694	$ 313,085	$ 338,197	$ 346,515	$ 409,084	$ 365,998	$ 417,270	$ 347,923
Contribution in relation to the contractually required contribution	(339,906)	(315,908)	(320,694)	(313,085)	(338,197)	(346,515)	(409,084)	(365,998)	(417,270)	(347,923)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,224,998	$ 2,293,915	$ 2,336,602	$ 2,240,209	$ 2,331,766	$ 2,308,649	$ 2,075,859	$ 1,916,607	$ 1,974,974	$ 2,001,052
Contributions as a percentage of covered payroll	15.28%	13.77%	13.72%	13.98%	14.50%	15.01%	19.71%	19.10%	21.13%	17.39%

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

For the years ended June 30,	2022	2021	2020	2019	2018
Total OPEB liability - beginning	$ 1,660,184	$ 2,339,355	$ 2,094,217	$ 1,598,229	$ 1,588,609
Changes for the year:					
Service cost	83,970	78,951	92,759	53,894	72,974
Interest	36,891	52,491	74,194	47,597	43,287
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(772,294)	-	(227,267)	333,963
Changes of assumptions or other inputs	(62,372)	48,464	213,678	753,889	-
Benefit payments	(72,884)	(86,783)	(135,493)	(132,125)	(440,604)
Net change in total OPEB liability	(14,395)	(679,171)	245,138	495,988	9,620
Total OPEB liability - ending	$ 1,645,789	$ 1,660,184	$ 2,339,355	$ 2,094,217	$ 1,598,229
Covered-employee payroll	$ 6,808,215	$ 6,808,215	$ 8,980,099	$ 8,980,099	$ 9,483,905
Total OPEB liability as a percentage of covered-employee payroll	24.2%	24.4%	26.1%	23.3%	16.9%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Differences between expected and actual experience for 2021 and 2019 represent a decrease in active members included in the valuation. Such differences for 2018 are due to differences between projected benefit payments and the District's actual contributions.

Covered-employee payroll was adjusted in 2021 to properly exclude employees who waived health insurance coverage.

The following is a summary of changes of assumptions:

	2022	2021	2020	2019	2018
Healthcare cost trend rates	5.3%-4.1%	5.3%-4.1%	6.1%-4.1%	6.1%-4.1%	7.5%-4.5%
Inflation	2.6%	2.6%	2.6%	2.6%	2.6%
Salary increases	2.6%	2.6%	2.6%	2.6%	3.0%
Discount rate	3.54%	2.16%	2.21%	3.5%	3.0%
Society of Actuaries' mortality scale	MP-2019	MP-2019	MP-2016	MP-2016	MP-2016

Data prior to 2018 is unavailable.

Supplementary Information
Schedule of Change from Original to Final Budget and Calculation of Unrestricted Fund Balance Limit - General Fund

For the year ended June 30, 2022

Original expenditure budget	$ 21,710,945
Encumbrances carried over from prior year	224,622
Revised expenditure budget	$ 21,935,567

* * *

Unrestricted Fund Balance	
Assigned	$ 626,413
Unassigned	3,974,971
	4,601,384
Encumbrances included in assigned fund balance	(201,413)
Appropriated fund balance used for tax levy	(425,000)
Amount subject to 4% limit pursuant to Real Property Tax Law §1318	$ 3,974,971
§1318 of Real Property Tax Law - unrestricted fund balance limit calculation	
2023 expenditure budget (unaudited)	$ 25,524,093
4% of budget	1,020,964
Actual percentage of 2023 expenditure budget	15.6%

Supplementary Information
Schedule of Capital Project Expenditures

June 30, 2022

Project Title	Original Budget	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Unexpended Balance
2021 Capital Improvements Project	$ 17,107,802	$ -	$ 476,711	$ 476,711	$ 16,631,091
2021-2022 Capital Outlay Project	100,000	-	96,082	96,082	3,918
Smart Schools Bond Act	1,060,464	683,235	24,805	708,040	352,424
	$ 18,268,266	$ 683,235	$ 597,598	$ 1,280,833	$ 16,987,433

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor Number	Expenditures	
U.S. Department of Education:				
Passed Through New York State Education Department:				
Special Education Cluster:				
Special Education Grants to States	84.027	0032-22-0278	$ 268,485	
COVID-19 - Special Education Grants to States	84.027X	5532-22-0278	44,919	
Special Education Preschool Grants	84.173	0033-22-0278	12,807	
COVID-19 - Special Education Preschool Grants	84.173X	5533-22-0278	4,269	
Total Special Education Cluster			330,480	
Title I Grants to Local Educational Agencies	84.010	0021-22-1005	169,605	
Career and Technical Education - Basic Grants to States	84.048	8039-22-0003	417,680	
Supporting Effective Instruction State Grants	84.367	0147-22-1005	26,746	
Student Support and Academic Enrichment Program	84.424	0204-21-1005	12,950	
Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	84.425C	5891-21-1005	26,526	[1]
Elementary and Secondary School Emergency Relief Fund	84.425D	5896-21-1005	719,853	[1]
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-1005	319,225	[1]
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5882-21-1005	139,164	[1]
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5883-21-1005	15,066	[1]
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	5884-21-1005	326,732	[1]
Total U.S. Department of Education			2,504,027	
U.S. Department of Agriculture:				
Passed Through New York State Education Department:				
Child Nutrition Cluster:				
National School Breakfast Program	10.553	N/A	156,782	
National School Lunch Program	10.555	N/A	438,892	
COVID-19 - Summer Food Service Program for Children	10.559	N/A	36,853	
Passed Through New York State Office of General Services:				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	27,277	
Total Child Nutrition Cluster and U.S. Department of Agriculture			659,804	
Total Expenditures of Federal Awards			$ 3,163,831	

[1] *Total Education Stabilization Fund - $1,546,566*

See accompanying notes.

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs administered by Byron-Bergen Central School District (the District), an entity as defined in Note 1 to the District's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule of Expenditures of Federal Awards.

Basis of Accounting

The District uses the modified accrual basis of accounting for each federal program, consistent with the fund basis financial statements.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

Indirect Costs

The District does not use the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

Non-Monetary Federal Program

The District is the recipient of a federal award program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2022, the District used $27,277 worth of commodities under the National School Lunch Program (Assistance Listing Number 10.555).

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

The Board of Education
Byron-Bergen Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Byron-Bergen Central School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 20, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Lumsden & McCormick, LLP

September 20, 2022

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Education
Byron-Bergen Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Byron-Bergen Central School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lumsden & McCormick, LLP

September 20, 2022

Schedule of Findings and Questioned Costs

For the year ended June 30, 2022

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number	Amount
Education Stabilization Fund	84.425	$ 1,546,566

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.

APPENDIX C

Description of Undertaking to Provide Notices of Certain Events

Description of Undertaking to Provide Notices of Certain Events

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District will provide an executed copy of its “Undertaking to Provide Notices of Certain Events” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board (the “MSRB”) established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice, not in excess of ten (10) business days after the occurrence of the event, of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) Defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

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

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material: and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

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

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

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

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

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