

OFFICIAL STATEMENT DATED JUNE 12, 2025

RENEWAL

BOND ANTICIPATION NOTES

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

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
ALLEGANY COUNTY, NEW YORK
(the "District" or the "School District")

\$12,286,306
BOND ANTICIPATION NOTES, 2025
(the "Notes")

At an Interest Rate of 3.75% to Yield 3.50%

CUSIP #097649 FL6

Dated: June 25, 2025

Due: June 25, 2026

Security and Source of Payment: 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. Unless paid from other sources, 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 (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York). See "TAX LEVY LIMITATION LAW" herein.

Prior Redemption: The Notes will not be subject to redemption prior to maturity.

Form and Denomination: The Notes will be issued as registered notes and, at the option of the initial purchaser(s), may be registered to the Depository Trust Company ("DTC" or the "securities depository"), or may be registered in the name of the initial purchaser(s).

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. In such event, individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination, as may be determined by the successful bidder(s). Initial purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payment of the 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 "DESCRIPTION OF THE NOTES - 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 the legal opinion as to the validity of the Notes of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, and certain other conditions. It is anticipated that the Notes will be available for delivery in New York, New York (through the facilities of DTC) or at such other place as may be agreed with the purchaser(s) on or about June 25, 2025.

Piper Sandler & Co.

THIS REVISED OFFICIAL STATEMENT SUPPLEMENTS THE OFFICIAL STATEMENT OF THE SCHOOL DISTRICT DATED JUNE 12, 2025 RELATING TO THE OBLIGATIONS THEREOF DESCRIBED THEREIN AND HEREIN BY INCLUDING CERTAIN INFORMATION OMITTED FROM SUCH OFFICIAL STATEMENT IN ACCORDANCE WITH SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12. OTHER THAN AS SET FORTH ON THIS REVISED COVER PAGE AND THE DATED DATE ON PAGE 39, THERE HAVE BEEN NO MATERIAL REVISIONS TO SAID OFFICIAL STATEMENT.

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
ALLEGANY COUNTY, NEW YORK**

School District Officials

2024-25 BOARD OF EDUCATION

Amanda McDonnell - President

Aaron Duell - Vice President

Erin Baldwin

Jarrold Bell

Michelle Clark

Kami Doane

Norene Ferris

.....

Jeffrey Margeson – Superintendent
Amy Ginnitti – School Business Administrator
Hilary Hadden– School District Treasurer
Connie Emery – District Clerk

.....

School District Attorney

Webster Szanyi LLP

BOND COUNSEL

Hodgson Russ LLP

MUNICIPAL ADVISOR



R. G. Timbs, Inc.

No person has been authorized by the 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 District.

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PREPARED WITH THE ASSISTANCE OF:



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OFFICIAL STATEMENT
BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
ALLEGANY COUNTY, NEW YORK
(the “District”)

\$12,286,306
Bond Anticipation Notes, 2025
(the “Notes”)

This Official Statement, which includes the cover page, has been prepared by the Bolivar-Richburg Central School District, Allegany County, New York (the “District” or the “School District,” “County” and “State,” respectively) in connection with the sale by the District of its \$12,286,306 Bond Anticipation Notes, 2025 (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's 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.

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

DESCRIPTION OF THE NOTES

The Notes are dated June 25, 2025, and mature, without option of prior redemption, on June 25, 2026. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes are general obligations of the District and will contain a pledge of its faith and credit of the District for payment of the principal of and interest on the Notes, as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). Unless paid for from other sources, all the taxable real property within the District is subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, sufficient to pay such principal and interest as the same become due, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See “TAX LEVY LIMITATION LAW,” herein.

The Notes will be issued in registered form. At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s), with principal of and interest on the Notes being payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination, as may be determined by the successful bidder(s). Alternatively, the Notes may be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), with DTC acting as securities depository for the Notes. See “Book-Entry-Only System,” herein. Under the DTC scenario, one fully registered note certificate will be issued for all Notes bearing the same rate of interest and CUSIP number, each in the aggregate principal amount of such issue, and purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (federal funds) by the District directly to DTC for its nominee, Cede & Co.

The financial 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 control of the District. See “MARKET AND RISK FACTORS,” herein.

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 and the Local Finance Law, and pursuant to a bond resolution dated that was duly adopted by the Board of Education (the “Board”) on December 21, 2021, following a positive vote of the qualified voters of the District that was held on December 8, 2021, authorizing the issuance of up to \$12,391,306 of serial bonds to finance the District’s \$15,375,000 Capital Improvements Project, 2021 consisting of the reconstruction and renovations of, and the construction of improvements, upgrades and one or more additions to various District buildings and facilities (and the site thereof) (the “Project”).

The proceeds of the Notes in the amount of \$12,286,306, along with available funds of the District in the amount of \$105,000, will be used to redeem and renew, in part, an outstanding bond anticipation note of the District that was issued on June 26, 2024.

Book-Entry-Only System

The following is relevant only if the Notes are issued in book-entry form. DTC will act as securities depository for the Notes, if so requested. 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 affect 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, who 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.

Redemption proceeds, distributions and dividend 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 nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

DTC may discontinue providing its services as depository with respect to the 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

At the option of the purchaser(s), the Notes may be registered in the name of the purchaser(s). In such event, principal of and interest on the Notes will be payable in federal funds at such bank or trust company located and authorized to do business in the State as may be selected by the successful bidder(s). In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof except for one necessary odd denomination as may be determined by the successful bidder(s).

Security and Source of Payment

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

The Notes are general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest thereon. For the payment of such principal and interest, the District has the power and statutory authorization to levy *ad valorem* taxes on all of the taxable real property in the District without limitation as to rate or amount, subject to certain statutory limitation imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW," herein.

Under the State Constitution, the District is required to pledge its faith and credit for the payment of principal of and interest on the Notes and the State is specifically precluded from restricting the power of the District to levy taxes on real property therefor. See the discussion under "TAX LEVY LIMITATION LAW," herein.

Remedies of Noteholders on Default

Section 99-b of the State Finance Law ("SFL") provides for a covenant between the State 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 of SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

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

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

Under current law, provision is made for contract creditors (including holders of the Notes) of the District to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation 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 out of current funds or the proceeds of a tax levy.

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

Special Provisions Affecting Remedies Upon Default

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgement or accrued claim against it shall not exceed nine per centum per annum. 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.

In accordance with a general rule with respect to municipalities, judgments against the District may not be enforced to levy and execution against property owned by the District.

The federal Bankruptcy Code allows public bodies, such as the District, 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 for 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.

Under the Bankruptcy Code, a petition may be filed in federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Bankruptcy Code also requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and would authorize the federal bankruptcy court to permit the municipality to issue certificates of indebtedness, which could have priority over existing creditors, and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. The District has the legal capacity to file a petition under the Bankruptcy Code.

It might be asserted that under the Bankruptcy Code interest and principal debt service payments made by the District within 90 days of the District filing a bankruptcy petition were voidable preferences. In the event these assertions were made and sustained by the bankruptcy court, the recipients of those preferential payments could be required to refund them, and their claims would then be treated as if the preferential payments had not been made.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of the City of New York. The effect of such act was to create a three-year moratorium on action to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violated the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of the Local Finance Law enacted at the 1975 Extraordinary Session of the State Legislature, authorizing any county, town or village with respect to

which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has ever been declared with respect to the District.

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

THE SCHOOL DISTRICT

General Information

The District, created through the merger of the former Bolivar and Richburg Central School Districts effective July 1, 1994, has an area of approximately 99 square miles. The District is located approximately 15 miles east of the City of Olean and 90 miles southeast of the City of Buffalo. The District includes the incorporated Villages of Bolivar and Richburg, as well as all or portions of the Towns of Alma, Bolivar, Clarksville, Cuba, Friendship, Genesee and Wirt in Allegany County.

State Route 275 provides easy access to Interstate 86, the main east-west expressway between the Cities of Jamestown and Binghamton. Bus transportation is available in Bolivar; air transportation is accessed in the Cities of Buffalo or Rochester.

The District is primarily a rural/agricultural area, with many residents commuting to Olean and Wellsville for employment. Public water is provided by the Villages of Bolivar and Richburg, while outlying areas use private wells. Public sewer services are provided to a limited area by the Village of Bolivar. Fire protection and ambulance services are provided by various volunteer organizations. Police protection is provided by the Village of Bolivar and the Allegany County Sheriff's Department, which is supplemented by the New York State Police.

The District provides public education for grades Pre-K through 12. Opportunities for higher education include St. Bonaventure University in Olean, Alfred State College and Alfred University in Alfred, Houghton College in Caneadea and Jamestown Community College.

Commercial and financial services are available in the Villages of Bolivar and Richburg and the City of Olean. Recreational and cultural facilities are available through the various colleges and universities, as well as in the Jamestown, Buffalo and Rochester areas.

District Population

The 2023 population of the School District was estimated to be 4,272. (Source: 2023 U.S. Census Bureau estimate)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District are the Towns and Counties listed below. The Figures set below with respect to such Towns, County and State are included for information only. It should not be inferred from the inclusion of such data in this Official Statement that the Towns, County or State are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2019-2023</u>
Towns Of:						
Alma	\$18,727	\$24,952	\$28,884	\$43,542	\$58,125	\$65,893
Bolivar	19,329	21,621	31,835	52,232	52,969	60,417
Clarksville	19,168	22,460	26,849	39,375	53,393	51,000
Cuba	24,816	28,026	35,615	58,789	63,333	97,396
Friendship	17,218	18,518	29,319	43,631	42,250	79,135
Genesee	21,489	22,668	31,762	52,629	50,000	73,750
Wirt	19,454	21,757	23,304	38,409	56,250	57,583
County Of:						
Allegany	20,058	21,478	30,016	49,864	54,196	80,013
State Of:						
New York	30,948	34,212	49,520	67,405	74,036	105,060

Note: 2020-2024 American Community Survey Estimates are not available as of the date of this Official Statement

Source: U.S. Census Bureau, 2006-2010, 2016-2020 and 2019-2023 American Survey data.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Year Built</u>	<u>Date of Last Addition or Alteration</u>
Bolivar Pre-Kindergarten	Pre-K	2002	2002
Richburg Elementary School	K-5	1926	1999
Bolivar Middle/High School	6-12	1929	2006

Source: District Officials

District Employees

The District employs a total of 173 full-time and part-time employees with representation by the various bargaining units listed below.

<u>Bargaining Unit</u>	<u>Employees</u>	<u>Expiration Date</u>
Bolivar-Richburg Teachers' Association	92	6/30/2029
Bolivar-Richburg Non-Teachers' Association (CSEA)	77	6/30/2026
Bolivar-Richburg Administrators' Association	4	6/30/2028

Source: District Officials

Historical and Projected Enrollment

<u>Fiscal Year</u>	<u>Actual</u>	<u>Fiscal Year</u>	<u>Projecte d</u>
2020-21	652	2025-26	616
2021-22	652	2026-27	607
2022-23	653	2027-28	602
2023-24	637	2028-29	605
2024-25	638	2029-30	591

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, which has since been changed to 5 years as of April 9, 2022 (for both Tier V and Tier VI).

- 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, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The State’s enacted budget for the 2024-25 fiscal year, which was signed into law on April 22, 2024, further reformed Tier 6 by changing the final average year salary to determine a public employee’s retirement benefit from the highest five consecutive years to the highest three consecutive years, and by extending the two-year exclusion of overtime earnings when determining a Tier 6 member’s contribution rate to their pension benefit.

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 2024-25 and 2025-26 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2019-2020	\$239,835	\$485,291
2020-2021	260,219	525,822
2021-2022	333,000	604,000
2022-2023	250,000	641,000
2023-2024	297,000	612,000
2024-2025 (Budgeted)	392,400	616,700
2025-2026 (Budgeted)	352,370	684,759

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. 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 have an early retirement incentive program. The program starts at \$10,000 after 10 years, which increases by \$667 and then maxes out at \$20,000 as long as they are within the 365 days after the teacher first became eligible to retire under the NYSTRS.

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 from 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 (2020-21 to 2025-26) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2020-2021	14.60%	9.53%
2021-2022	16.2	9.8
2022-2023	11.6	10.29
2023-2024	13.1	9.76
2024-2025	15.2	10.11
2025-2026	16.5	9.59*

*Estimated

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 the 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 District did establish a TRS Reserve Fund on June 4, 2019 with a \$109,525 contribution.

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, 2022 and financial data as of June 30, 2024, the School District's beginning year total OPEB liability was \$441,614 the net change for the year was \$14,195 resulting in a total OPEB liability of \$455,809 for a fiscal year ending June 30, 2024. The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the School District's June 30, 2024 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, 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

<u>Name</u>	<u>Nature of Business</u>	<u>Estimated Number of Employees</u>
Bolivar-Richburg Central School District	Public Education	173
Heritage Cutlery	Cutlery Manufacturer	58
Baldwin Forest	Lumber Company	34
Shop N Save	Grocery Store	28
Crosby's - Bolivar	Convenience Store	12

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) is Allegany County. The data set forth below with respect to the County 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 County or vice versa.

<u>Year</u>	<u>Allegany County Unemployment Rate</u>	<u>New York State Unemployment Rate</u>	<u>U.S. Unemployment Rate</u>
2020	7.7%	9.8%	8.3%
2021	5.0%	7.1%	3.9%
2022	4.0%	4.3%	3.5%
2023	4.2%	4.1%	3.7%
2024	4.3%	4.3%	4.0%

	2024-2025 Monthly Figures											
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Allegany	3.9%	4.4%	4.6%	4.6%	3.3%	3.3%	3.8%	4.3%	5.5%	5.3%	4.7%	3.5%
New York State	4.0%	4.3%	4.8%	4.8%	4.4%	4.2%	4.2%	4.2%	4.6%	4.3%	4.1%	3.6%

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

Investment Policy

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

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

Form of School Government

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

The legislative power of the District is vested in the Board of Education. Under current law, an election is held within the District boundaries on the third Tuesday in May of each year to elect members of the Board of Education. They are generally elected for a term of three years.

In early July of each year, the Board of Education meets for the purpose of reorganization. At that time, the Board elects a President and Vice President, and appoints a District Clerk and District Treasurer.

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Business Manager.

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 ("Chapter 97"), 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 budget for the 2023-24 fiscal year was adopted by the qualified voters of the District on May 16, 2023. The budget calls for a total tax levy increase of 0% which is within the District's Tax Cap of 3.92%.

The budget for the 2024-25 fiscal year was adopted by the qualified voters of the District on May 21, 2024. The budget calls for a total tax levy increase of 0% which is within the District's Tax Cap of 3.92%.

The budget for the 2025-26 fiscal year was adopted by the qualified voters of the District on May 20, 2025. The budget calls for a total tax levy increase of 3.81% which is within the District's Tax Cap of 3.92%.

State Aid

The District receives appropriations from the State. In its adopted budget for the 2025-26 fiscal year, approximately 82.72% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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.

On January 21, 2025, Governor Hochul released her 2025-2026 Executive Budget. The Executive Budget provides for a total of \$37.4 billion in school aid, with \$26.4 billion being in foundation aid (a 5.9% increase from last year), \$3.3 billion in building aid, \$2.7 billion in transportation aid, and \$1.2 billion in prekindergarten aid (the total of building aid, transportation aid, and prekindergarten aid accounting for an aggregate increase of 2.2% since last year). A final budget was passed by New York State on May 8, 2025. The enacted budget includes a \$37.6 billion increase in total school aid. The enacted budget's foundation aid increase is nearly identical to the Executive Budget's; however, due to an adjustment in the aid calculation formula (as the formula and its ensuing calculations pertain to districts with large amounts of English language learners) some districts will see a slight increase or decrease in their final Foundation Aid amount. Foundation aid is New York State's main education operating aid formula. It is focused on allocating New York State funds equitably to all school districts, especially high need districts, based on student need, community wealth, and regional cost differences. As stated above, the Executive Budget provides a 5.9% increase (amounting to a \$1.4 billion total increase since last year) in Foundation Aid for the 2025 school year. Foundation aid is intended mainly to support districts' instructional costs. It is the largest aid type within the school aid budget categories. Building aid is considered an expense-based type of aid. The Executive Budget allocates \$3.3 billion in building aid for the 2025 school year.

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.

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. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017, the 2023-24 State budget which was not adopted until May 3, 2023, the 2024-25 State budget which was not adopted until April 20, 2024 and the 2025-26 State Budget which was not adopted until May 9, 2025. 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 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 aid.

Federal Aid Received by 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 American Rescue Plan ("ARP") Act. These funds were used to support local educational agencies' efforts to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. Such federal funding expired at the end of the 2023-24 fiscal year.

The State also 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.

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.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the

responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

State Aid History

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 includes the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, 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 are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are 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 are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts where applicable.

The State 2022-23 Enacted Budget provides \$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 programs \$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 allocates \$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 increases 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.

The State's 2023-24 Enacted Budget included \$34.5 billion for school aid, an increase of \$3.1 billion or 10%. The States 2023-24 Budget also provided a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided \$134 million to increase access to free school meals. An additional

\$20 million in grant funding established 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 \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

The State's 2024-25 Enacted Budget provides \$35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of \$1.3 billion compared to the 2023-24 school year and includes a \$934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

The State's 2025-26 Enacted Budget provides \$37.6 billion in State funding to school districts for the 2025-26 school year, the highest level of State aid ever. This represents an increase of \$1.7 billion or 4.9 percent compared to the 2024-25 school year and includes a \$1.4 billion or 5.6 percent Foundation Aid increase. The State's 2025-26 Enacted Budget includes a 2% minimum increase in Foundation Aid to all school districts and makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. A "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of state fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of \$2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

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 *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights v. State of New York* ("NYSER") and 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 insofar as 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 New York 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 New York 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 an equitable distribution of state funding to schools, however, New York 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 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, cover 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
- FY 2025: Funding the full amount of Foundation Aid for all school districts.
- FY 2026: 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Enacted Budget makes a number of alterations to the Foundation Aid formula designed to reflect low-income student populations and provide additional aid to low-wealth 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 2024-2025 and 2025-2026 fiscal year.

Fiscal Year	Total Revenues	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	\$19,796,766	\$16,362,699	82.65%
2020-2021	19,024,250	15,511,026	81.53
2021-2022	18,669,614	15,464,132	82.83
2022-2023	19,604,537	16,073,642	81.99
2023-2024	20,711,423	16,711,971	80.69
2024-2025 (Budgeted)	20,740,224	16,969,524	81.82
2025-2026 (Budgeted)	23,350,404	19,316,386	82.72

Source: Audited financial statements for the 2019-2020 fiscal year through the 2023-2024 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 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 Office of the State Comptroller 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 it in one of the three established stress categories.

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

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2024	No Designation	6.7
2023	No Designation	0.0
2022	No Designation	0.0
2021	No Designation	0.0
2020	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.

New York 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 June 7, 2019. The purpose of the audit was to determine whether the Board and District properly managed fund balance and reserves for the period July 1, 2015 through December 7, 2018.

Key Findings

- The Board overestimated appropriations by a total of \$3.8 million and annually appropriated \$500,000 of fund balance that was not used to finance operations during our audit period.
- As of June 30, 2018, surplus fund balance totaled almost \$1.5 million, 7 percent of the 2018-19 budgeted appropriations, exceeding the statutory limit by approximately \$626,000.
- The reserve fund plan is inadequate and certain reserve balances were excessive and not being used.

Key Recommendations

- Adopt budgets that include reasonable estimates for appropriations and the amount of fund balance that will be used to fund operations.
- Reduce surplus fund balance to comply with the statutory limit and use the excess funds in a manner more beneficial to taxpayers.
- Adopt a comprehensive written reserve policy, including plans for the use of reserves in accordance with applicable statutes.

District officials generally agreed with the recommendations and indicated they planned to initiate 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, 2024, 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:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assessed Valuations:					
Alma	\$ 600,647	\$ 600,611	\$ 606,574	\$ 620,831*	\$ 1,057,936
Bolivar	73,619,107	73,587,587	73,002,756	74,731,159	74,975,202
Clarksville	25,509,774	25,472,301	26,155,453	27,367,100	27,412,187
Cuba	79,545	79,542	79,543*	143,505	143,508
Friendship	905,542	897,578	897,460*	1,235,881	1,237,489
Genesee	28,962,030	29,504,981	29,800,143	30,044,107	30,191,655
Wirt	<u>43,964,318</u>	<u>43,940,104</u>	<u>44,074,573</u>	<u>45,747,255</u>	<u>46,230,682</u>
Total	\$ 173,640,963	\$ 174,082,704	\$ 174,616,502	\$ 179,889,838	\$ 181,248,659

Equalization Rates:

Alma	82.00%	76.00%	75.00%	71.00%	100.00%
Bolivar	97.00%	96.00%	83.00%	71.00%	68.00%
Clarksville	73.00%	70.00%	68.00%	62.00%	56.00%
Cuba	84.00%	83.00%	74.00%	100.00%	100.00%
Friendship	82.00%	80.00%	72.00%	100.00%	99.70%
Genesee	74.00%	80.00%	76.00%	69.00%	63.00%
Wirt	93.00%	90.00%	88.00%	77.00%	70.00%

Full Valuations:

Alma	\$ 732,496	\$ 790,278	\$ 808,765	\$ 874,410	\$ 1,057,936
Bolivar	75,895,987	76,653,736	87,955,128	105,255,154	110,257,650
Clarksville	34,944,896	36,389,001	38,463,901	44,140,484	48,950,334
Cuba	94,696	95,834	107,491	143,505	143,508
Friendship	1,104,320	1,121,973	1,246,472	1,235,881	1,241,213
Genesee	39,137,878	36,881,226	39,210,714	43,542,184	47,923,262
Wirt	<u>47,273,460</u>	<u>48,822,338</u>	<u>50,084,742</u>	<u>59,412,019</u>	<u>66,043,831</u>
Total	\$ 199,183,733	\$ 200,754,386	\$ 217,877,214	\$ 254,603,637	\$ 275,617,734

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.

*Town had revaluation in specified year.

Tax Rate per \$1,000 Assessed Value

Fiscal Year Ending June 30:

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Alma	\$ 16.62	\$ 17.79	\$ 17.42	\$ 15.83	\$ 10.04
Bolivar	14.05	14.09	15.74	15.83	14.77
Clarksville	18.67	19.32	19.21	18.13	17.93
Cuba	1.23	16.29	17.65	11.24	10.04
Friendship	16.62	16.90	18.14	11.24	10.07
Genesee	18.42	16.90	17.19	16.29	15.94
Wirt	14.66	15.03	14.85	14.60	14.35

Tax Collection Procedure

Taxes are payable during September without penalty. Payments made during the month of October carry a 2% penalty. On or about November 8, a list of all unpaid taxes is given to the County Treasurer for the payment of all uncollected taxes. The District is reimbursed by the County for all unpaid taxes in April of each year and is thus assured of 100% collection of its annual levy.

Tax Collection Record

Fiscal Year Ended June 30:	2021	2022	2023	2024	2025*
Total Levy for					
All Purposes	\$2,714,763	\$2,714,763	\$2,714,763	\$2,714,763	\$2,767,700
Amount Uncollected	313,107	310,053	290,962	\$317,556	\$280,620
Percentage Uncollected	11.53%	11.42%	10.72%	11.70%	10.14%

Note: * Collection information is as of 11/8/24.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below fiscal years comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2019-2020	\$19,796,766	\$2,719,884	13.74%
2020-2021	19,024,250	2,714,763	14.27
2021-2022	18,669,614	2,719,776	14.57
2022-2023	19,604,537	2,720,885	13.88
2023-2024	20,711,423	2,726,455	13.16
2024-2025 (Budgeted)	20,740,224	2,767,700	13.34
2025-2026 (Budgeted)	23,350,404	2,873,063	12.30

Source: Audited financial statements for the 2019-20 fiscal year through 2023-24 fiscal year and the adopted budgets of the District for the 2024-2025 and 2025-2026 fiscal years. This table is not audited

Major Taxpayers 2024

For 2024-25 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Value</u>
Rochester Gas & Electric	Utility	\$9,607,036
National Fuel Gas	Utility	3,970,053
Armstrong Telecommunications	Utility	2,492,883
Oak Ridge, Inc.	Lumber	579,800
JT Allegany Timberland LL	Retail	485,800
Baldwin Forest Products	Retail	402,500
Bainbridge, Allen	Residential	286,300
Legendary Guest House, LLC	Airbnb	285,000
Armstrong, Walter	Residential	269,500
Hawley Development Corp	Commercial	266,500
Total		\$18,645,372

1. The above taxpayers represent 10.29% of the School District's 2024-25 Assessed value of \$181,248,659.

As of the date of this Continuing Disclosure Statement, the District does not have any pending or outstanding Tax Certioraris that are known to have an 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, 2024, 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 \$93,200 or less in 2023 and \$98,700 or less in 2024, increased annually according to a cost-of-living adjustment, are eligible for a "full value" exemption of the first \$81,400 for the 2023-24 school year and the first \$84,000 for the 2024-25 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.

The 2022-23 State budget provided \$2.2 billion in State funding for a new one-year 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 were eligible for the property tax rebate where the benefit was a percentage of the homeowners’ existing STAR benefit.

The 2022-23 Enacted State Budget provides \$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 Limit Law modified the then-current law by imposing a limit on the amount of real property taxes that a school district may levy. The Law affected school district tax levies for the school district fiscal year beginning July 1, 2012.

On June 25, 2015, Chapter 20 of the 2015 Laws of New York amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016, to June 15, 2020. The State’s enacted budget for the fiscal year ending March 31, 2020, made the Tax Levy Limitation Law permanent.

Prior to the enactment of the 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 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 28 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, applicable to the Notes. The State Commissioner of Taxation and Finance has promulgated a regulation that will allow school districts, beginning in the year 2020-2021 school year, to adjust the exclusion to reflect a school district's share of capital expenditures related to projects funded through a board of cooperative education services ("BOCES").

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 may be 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.

Debt Limit. 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.

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. (a) Such obligations are authorized for an object or purpose of which the District is not authorized to expend money; or
(b) The provisions of the law which should be complied with as of the date of publication of the notice were not substantially complied with;

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of the notice; or

2. Such obligations were authorized in violation of the provisions of the Constitution of New York.

The District typically complies with this estoppel procedure, and it has done so with respect to the bond resolution pursuant to which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board, 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. Additionally, in response to the COVID-19 pandemic, legislation has been adopted that allows certain bond anticipation notes originally issued between 2015 and 2021 to be renewed up to seven years prior to the issuance of serial bonds.

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 Outstanding End of Fiscal Year

Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Serial Bonds	\$7,825,000	\$6,650,000	\$5,865,000	\$5,686,497	\$4,180,000
Bond Anticipation Notes	0	0	0	0	12,391,306
Other Obligations ⁽¹⁾	1,485,621	1,401,864	1,315,134	1,225,325	1,132,328
Total Debt Outstanding	\$7,825,000	\$6,650,000	\$7,180,134	\$6,911,822	\$17,703,634

⁽¹⁾ Energy Performance Contract of the District.

Status of Outstanding Bond Issues

Year of Issue:	2012	2016
Amount Issued:	\$4,505,000	\$1,100,000
Purpose/Instrument:	DASNY Bonds	DASNY Bonds

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 25,000	\$ 3,688	\$ 85,000	\$ 27,350
2026	25,000	2,438	90,000	23,100
2027	25,000	1,688	90,000	19,500
2028	25,000	875	95,000	15,000
2029	-	-	100,000	10,250
2030	-	-	105,000	5,250
Totals:	\$ 100,000	\$ 8,688	\$ 565,000	\$ 100,450

Year of Issue:	2020
Amount Issued:	\$4,585,000
Purpose/Instrument:	DASNY Bonds

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>
2025	\$ 320,000	\$ 175,750
2026	335,000	159,750
2027	350,000	143,000
2028	370,000	125,500
2029	390,000	107,000
2030	405,000	87,500
2031	425,000	67,250
2032	450,000	46,000
2033	470,000	23,500
Totals:	\$ 3,515,000	\$ 935,250

Total Annual Bond Principal and Interest Due

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>%Paid</u>
2025	\$ 430,000	\$ 206,788	636,788	12.19%
2026	450,000	185,288	635,288	24.35%
2027	465,000	164,188	629,188	36.39%
2028	490,000	141,375	631,375	48.48%
2029	490,000	117,250	607,250	60.10%
2030	510,000	92,750	602,750	71.64%
2031	425,000	67,250	492,250	81.06%
2032	450,000	46,000	496,000	90.55%
2033	470,000	23,500	493,500	100.00%
Totals:	\$ 4,180,000	\$ 1,044,388	\$ 5,224,388	

Energy Performance Contract

Year of Issue:	2019
Amount Issued:	\$1,566,506
Final Maturity:	3/15/2034

Purpose/Instrument: EPC

Fiscal Year Ending June 30:	<u>Principal</u>	<u>Interest</u>
2025	\$ 96,298	* \$ 40,198
2026	99,717	36,779
2027	103,257	33,239
2028	106,923	29,573
2029	110,718	25,778
2030	114,649	21,847
2031	118,719	17,777
2032	122,933	13,563
2033	127,298	9,199
2034	<u>131,817</u>	<u>4,679</u>
Totals:	\$ 1,132,329	\$ 232,632

*Principal reduction made prior to date of Debt Statement.

Cash Flow Borrowings

The District has not found it necessary to borrow in anticipation of taxes and revenues, and does not anticipate the need to do so in the foreseeable future.

Status of Short-Term Indebtedness

<u>Type</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
BAN	6/26/2024	6/26/2025	4.25%	\$12,291,306*

Note: * To be paid with the proceeds of the Notes, together with \$105,000 available funds.

Capital Project Plans

On December 8, 2021 the District voters approved a \$15,375,600 Capital Improvements Project, 2021 for the reconstruction and renovation of, and the construction of improvements, upgrades and one or more additions to various District buildings and facilities (and the sites thereof). Funding for the project will consist of \$2,984,294 capital reserve monies and the remaining \$12,391,306 to be borrowed through bond anticipation notes and serial bonds. The District issued a \$7,000,000 Bond Anticipation note on December 28, 2023. The District issued a \$12,391,306 Bond Anticipation Note on June 26, 2024. The proceeds of the Notes, in the amount of \$7,000,000, was used to redeem and renew, in full, the prior note of the District that matured on June 27, 2024 and provided \$5,391,306 of additional new money for the project. The proceeds of these Notes in the amount of \$12,286,306, together with \$105,000 of available funds, will be used to redeem and renew, in full, the prior Note of the District of \$12,391,306 maturing on June 26, 2025.

No other Capital Projects are currently planned or contemplated.

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 98.0%.

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 June 5, 2025

<u>Town</u>	<u>Taxable Assessed Valuation</u>	<u>State Equalization Rate</u>	<u>Taxable Full Valuation</u>
Alma	\$ 1,057,936	100.00%	\$ 1,057,936
Bolivar	74,975,202	68.00%	110,257,650
Clarksville	27,412,187	56.00%	48,950,334
Cuba	143,508	100.00%	143,508
Friendship	1,237,489	99.70%	1,241,213
Genesee	30,191,655	63.00%	47,923,262
Wirt	46,230,682	70.00%	66,043,831
Total			\$ 275,617,734
Debt Limit: 10% of Full Valuation			\$ 27,561,773
 Inclusions:			
Serial Bonds			\$ 4,180,000
Bond Anticipation Notes			\$ 12,391,306
EPC			1,036,030
Total Inclusions:			\$ 17,607,336
 Exclusions:			
Building Aid Estimate	1		\$0
Total Exclusions:			\$0
 Total Net Indebtedness Before Giving Effect to This Issue:			 \$ 17,607,336
New Monies This Issue:			-
 Total Net Indebtedness			 \$ 17,607,336
Net Debt Contracting Margin			\$ 9,954,437
Percentage of Debt-Contracting Power Exhausted			63.88%

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

<u>Overlapping Unit</u>	<u>Applicable Equalized Value</u>	<u>Percent</u>	<u>Gross Indebtedness</u> ¹	<u>Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Applicable Overlapping Indebtedness</u>
Allegany County	\$ 275,617,734					
	\$ 2,578,530,371	10.69%	\$ 15,625,000	N/A	\$ 15,625,000	\$ 1,670,148
Town of Alma	\$ 1,057,936					
	\$ 60,402,536	1.75%	\$ -	N/A	\$ -	\$ -
Town of Bolivar	\$ 110,257,650					
	\$ 110,257,650	100.000%	\$ 206,143	N/A	\$ 206,143	\$ 206,143
Town of Clarksville	\$ 48,950,334					
	\$ 73,449,715	66.64%		N/A	\$ -	\$ -
Town of Cuba	\$ 143,508					
	\$ 210,416,208	0.07%	\$ 758,000	N/A	\$ 758,000	\$ 517
Town of Friendship	\$ 1,241,213					
	\$ 93,228,949	1.33%	\$ 809,782	N/A	\$ 809,782	\$ 10,781
Town of Genesee	\$ 47,923,262					
	\$ 82,482,961	58.101%		N/A	\$ -	\$ -
Town of Wirt	\$ 66,043,831					
	\$ 66,043,831	100.00%		N/A	\$ -	\$ -
Village of Bolivar	\$ 29,381,150					
	\$ 29,381,150	100.00%	\$ 2,087,050	N/A	\$ 2,087,050	\$ 2,087,050
Village of Richburg	\$ 10,224,176					
	\$ 10,224,176	100.00%	*	N/A	\$ -	\$ -
Total						<u>\$ 3,974,639</u>

Source: Comptroller's Special Report on Municipal Affairs for Local Fiscal Years Ended in 2023

Notes: Bonds and Bond Anticipation notes as of 2024 fiscal year. Not adjusted to include subsequent bond and note sales

*Bonds and Bond Anticipation notes as of 2018 fiscal year. The Village has not filed since 2018.

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 June 5, 2025:

	Amount	Per Capita	(a)	Percentage of Full Value	(b)
Net Indebtedness	\$ 17,607,336	\$ 4,121.57		6.388%	
Net Indebtedness Plus Net Overlapping Indebtedness	\$ 21,581,975	\$ 5,051.96		7.830%	

(a) The District's estimated population is 4,272 (Source: 2023 U.S. Census Bureau estimate)

(b) The District's full valuation of taxable real estate for 2024-25 is \$275,617,735.

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

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. One such risk is that the District will be unable to promptly pay interest and principal on the Notes as they become due (see “Remedies of Noteholders on Default,” herein). If a Noteholder elects to sell his or her investment prior to its scheduled maturity date, market access or price risk may be incurred. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition, there may be other risk factors which a potential 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.

There are a number of factors which could have a detrimental effect on the ability of the District to continue to generate revenues, particularly its property taxes. For instance, the termination of a major commercial enterprise or an unexpected revenue increase in tax certiorari proceedings could result in a reduction in the assessed valuation of taxable real property in the District. In addition, to the extent that the District is dependent on State aid, there can be no assurance that such aid will be continued in the future. Unforeseen developments could also result in substantial increases in District expenditures, thus placing considerable strain on the District’s financial condition.

The financial 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, including for example, the seeking by a municipality or remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State 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.

If and when a holder of any Note should elect to sell a Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Notes. In addition, the price and principal value of the Notes is dependent on the prevailing level of interest rates, if interest rates rise. The price of a Note will decline, causing the Noteholder to incur a capital loss upon the sale of such Note (unless such Note is held to maturity).

On December 22, 2017, former-President Trump signed into law the significant tax reform legislation that is generally referred to as the “Tax Cuts and Jobs Act of 2017” (the “TCJA”). The TCJA made significant changes to the Code, most of which became effective for the 2018 tax year. The TCJA made extensive changes to the deductibility of various taxes, including placing a cap of \$10,000 on a taxpayer’s deduction of state and local taxes.

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

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

TAX EXEMPTION

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

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

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

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

In the Certificates, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Notes to be includable in gross income for federal income tax purposes. Any violation

of the Tax Requirements may cause the interest on the Notes to be included in gross income for federal income tax purposes from the date of issuance of the Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Notes.

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

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

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

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Notes will be covered by the unqualified legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the School District, such opinion to be delivered with the Notes.

DISCLOSURE UNDERTAKING

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, unless the Notes are purchased for the purchaser's own account, as principal for investment and not for resale, the School District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as "Appendix C". A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Bonds as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

CONTINUING DISCLOSURE COMPLIANCE PROCEDURES

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

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.

There is no 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.

The District does not currently have an underlying rating on its long term general obligation indebtedness.

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 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

The execution and delivery of this Official Statement have been duly authorized by the Board. 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 therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness or fairness, the District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and to the knowledge of the District, since the date of the Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the District and no material adverse changes in the general affairs of the District or in its financial condition as shown in the Official Statement other than as disclosed in or contemplated by the Official Statement. Certain information contained in the Official Statement has been obtained from sources other than the District. All quotations from and summaries and explanations of provisions of laws herein do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

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.

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

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: Amy Ginnitti, School Business Administrator; phone: (585) 928-2933; email: aginnitti@bolivarrichburg.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.

Bolivar-Richburg Central School District

**Dated: June 12, 2025
Bolivar, New York**

Amanda McDonnell
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:	Budget					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Beginning Fund Balance - July 1	\$11,305,640	\$12,600,500	\$13,115,830	\$10,933,358	\$11,464,829	\$10,924,971 ^E
<u>Revenues:</u>						
Real Property Taxes	\$2,719,884	\$2,714,763	\$2,719,776	\$2,720,885	\$2,726,455	\$2,767,700
Other Tax Items	0	5,484	0	0	0	6,000
Charges for Services	49,403	67,476	38,389	40,954	38,308	51,000
Use of Money & Property	88,477	24,785	17,864	177,975	324,336	150,000
Sale of Property/Comp. for Loss	16,385	8,588	12,736	34,048	63,223	1,000
Miscellaneous	404,845	382,933	271,122	372,779	431,475	410,000
State Aid	16,362,699	15,511,026	15,464,132	16,073,642	16,711,971	16,969,524
Federal Aid	111,753	309,195	145,595	184,254	106,445	95,000
Interfund Transfer	<u>43,320</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>309,210</u>	<u>290,000</u>
Total Revenues	\$19,796,766	\$19,024,250	\$18,669,614	\$19,604,537	\$20,711,423	\$20,740,224
<u>Expenditures:</u>						
General Support	\$2,761,850	\$2,886,065	\$2,864,126	\$3,183,511	\$4,324,964	\$3,262,212
Instruction	9,601,378	9,365,726	9,342,974	9,775,849	10,686,661	12,544,026
Transportation	767,661	784,266	876,146	997,778	1,092,289	1,046,160
Community Services	0	0	0	0	0	0
Employee Benefits	3,044,612	3,194,343	3,086,416	3,081,443	3,653,260	4,884,300
Debt Service	1,889,311	1,752,062	1,251,784	1,247,534	1,399,458	909,800
Interfund Transfer	<u>437,094</u>	<u>526,458</u>	<u>3,430,640</u>	<u>786,951</u>	<u>94,649</u>	<u>170,000</u>
Total Expenditures	\$18,501,906	\$18,508,920	\$20,852,086	\$19,073,066	\$21,251,281	\$22,816,498
Adjustments	0	0	0	0	0	0
Year End Fund Balance	\$12,600,500	\$13,115,830	\$10,933,358	\$11,464,829	\$10,924,971	\$8,848,697 ^E
Excess (Deficit) Revenues Over Expenditures	\$1,294,860	\$515,330	(\$2,182,472)	\$531,471	(\$539,858)	(\$2,076,274)¹

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

Note: 1. Appropriated fund balance is planned to be used

E. Estimated

General Fund – Budget Summary

2025-26 Adopted Budget

Revenues:

Real Property Taxes & STAR	\$2,873,063
Other Tax Items	6,000
Charges for Services	34,000
Use of Money & Property	150,000
Sale of Property	1,000
Miscellaneous	410,000
State Aid	19,316,386
Federal Aid	95,000
Interfund Transfers	464,955
Appropriated Fund Balance	3,322,347
Total Revenues	<u>\$26,672,751</u>

Expenditures:

General Support	\$3,589,661
Instruction	13,487,472
Transportation	1,837,730
Employee Benefits	4,843,346
Debt Service	2,744,542
Interfund Transfers	170,000
Total Expenditures	<u>\$26,672,751</u>

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

General Fund – Comparative Balance Sheet

Fiscal Year Ending June 30:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assets:					
Unrestricted Cash	\$2,452,779	\$4,344,643	\$4,593,808	\$5,419,384	\$4,263,217
Restricted Cash	9,103,035	9,915,254	7,602,246	7,228,251	6,679,972
Due from Other Funds	173,690	214,152	315,141	724,968	1,255,064
State and Federal Aid Receivable	257,914	284,275	134,133	131,139	218,562
Due from Other Governments	1,782,040	17,876	7,861	15,088	0
Other Receivables	300	2,145	1,728	4,581	0
Total Assets	\$13,769,758	\$14,778,345	\$12,654,917	\$13,523,411	\$12,416,815
Liabilities:					
Accounts Payable	\$312,574	\$143,581	\$156,505	\$49,064	\$236,072
Accrued Liabilities	204,938	260,519	252,720	266,600	230,648
Due to Other Funds	2,376	571,936	574,548	950,748	237,050
Deferred Revenues	0	0	0	0	0
Due to Teachers' Retirement System	577,680	607,795	675,445	717,978	698,546
Due to Employees' Retirement System	71,690	78,684	62,341	74,192	89,528
Total Liabilities:	\$1,169,258	\$1,662,515	\$1,721,559	\$2,058,582	\$1,491,844
Fund Balances:					
Restricted	\$9,103,035	\$9,915,254	\$7,602,246	\$7,228,251	\$6,679,972
Assigned	774,943	639,526	899,919	1,082,595	2,531,220
Unassigned	2,722,522	2,561,050	2,431,193	3,153,983	1,713,779
Total Fund Balance	\$12,600,500	\$13,115,830	\$10,933,358	\$11,464,829	\$10,924,971
Total Liabilities and Fund Balance	\$13,769,758	\$14,778,345	\$12,654,917	\$13,523,411	\$12,416,815

Source: Audited Financial Reports This table is NOT audited.

APPENDIX B

Audited Financial Statements

For The Fiscal Year Ended June 30, 2024

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.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

AUDIT REPORTING PACKAGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

***FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION***

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

***WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS***

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the President and Members of
The Board of Education
Bolivar-Richburg Central School District
Bolivar, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of *Bolivar-Richburg Central School District* as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise *Bolivar-Richburg Central School District's* basic financial statements as listed in the table of contents. We have also audited the fiduciary fund types of the *Bolivar-Richburg Central School District* as of June 30, 2024, as displayed in the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the *Bolivar-Richburg Central School District* as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Report on Summarized Comparative Information

We have previously audited the *Bolivar-Richburg Central School District's* June 30, 2023 financial statements, and our report dated December 18, 2023, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-10) and budgetary comparison information (pages 39-40) schedule of changes in District's net OPEB liability and related ratios (page 46), schedule of District contributions – OPEB (page 47), schedule of the District contributions for defined benefit pension plans (page 48) and the schedule of the District's proportionate share of the net pension asset/liability (page 49) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2024, on our consideration of the **Bolivar-Richburg Central School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Bolivar-Richburg Central School District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering **Bolivar-Richburg Central School District's** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 6, 2024**

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

I. Discussion and Analysis

The following is a discussion and analysis of the *Bolivar-Richburg Central School District's* financial performance for the year ended June 30, 2024. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which follows this section.

II. Financial Highlights

The following items are the financial highlights experienced by the *Bolivar-Richburg Central School District* during the fiscal year ended June 30, 2024:

- Overall net position of the District from operations decreased during the current year in the amount of \$1,783,000 as compared to an decrease of \$579,000 during the prior fiscal year.
- The District's total revenue increased 5% from \$22,429,000 during June 30, 2023 to \$23,455,000 during June 30, 2024. This increase was primarily the result of an increase in State aid, along with increases in Pandemic-related grant funding and interest earned.
- The District's total expenses increased 10% from \$23,008,000 during the year ended June 30, 2023 to \$25,238,000 during the year ended June 30, 2024. This increase was mostly related to an increase in pension expense associated with actuarial updates, contractual expenses related to flood damage, salaries and health insurance expenses.
- The District's had capital outlays during the current year in the amount of \$5,563,000, which primarily related to costs associated with the District's capital outlay project, 2021 capital improvement project and purchase of equipment, including right-to-use assets.

III. Overview of the Financial Statements

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

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

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

1. Statement of Net Position

The Statement of Net Position (page 11) shows the "assets" (what is owned), "liabilities" (what is owed) and the "net position" (the resources that would remain if all obligations were settled) of the District. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

2. Statement of Activities

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

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

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

III. Overview of the Financial Statements (continued)

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

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

The District has two kinds of funds:

1. Governmental Funds

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

III. Overview of the Financial Statements (continued)

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

1. Governmental Funds (continued)

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

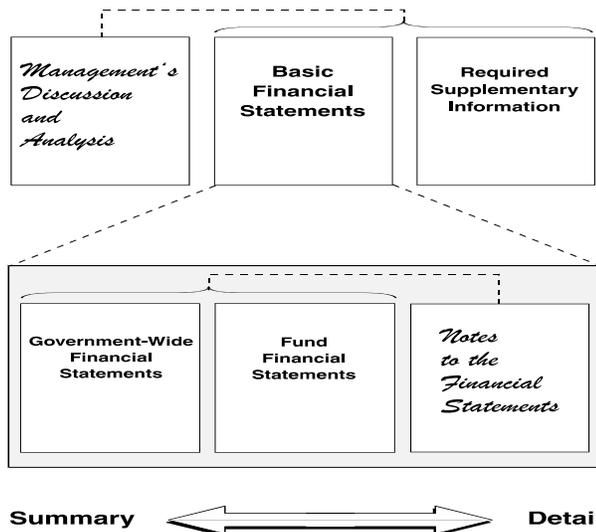
2. Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund. The District is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

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

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

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



IV. Financial Analysis of the School District as a Whole

Net Position

The District's total reporting entity net position was approximately \$36,435,000. The components of net position include: net investment in capital and right-to-use assets, of \$23,290,000; restricted net position of \$8,082,000; and unrestricted net position of \$5,063,000 as of June 30, 2024.

Changes in Net Position

The District's total government-wide revenue increased by approximately 5% to \$23,455,000. Approximately 12%, 12% and 71% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining 5% comes from federal aid, use of money and property, miscellaneous, charges for services and other operating grants and contributions.

The total cost of all programs and services of the District increased 10% to \$25,238,000. The District's expenses cover a range of services, with 67% related to instruction and 21% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

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

Governmental Activities

Revenue of the District's governmental activities increased 5%, while total expenses increased 10%. The District's total net position decreased approximately \$1,783,000 from operations during the fiscal year ended June 30, 2024.

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled \$23,455,000 for the fiscal year ended June 30, 2024. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 12% of the District's total revenue for governmental activities had no change during the year ended June 30, 2024.
- The District's most significant revenue is state sources which represent \$16,712,000 or 71% of total governmental revenue. The District's state sources increased approximately 4% which was primarily related to an increase in State aid and BOCES aid.
- During the year ended June 30, 2024, the District saw an increase in program revenue in the amount of \$134,000 which primarily resulted from an increase in operating grants and contributions in the amount of \$143,000. This increase was primarily due to Pandemic related Federal grants, along with an increase in state reimbursement in the cafeteria.

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

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$25,238,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support increased by approximately \$1,274,000 or 32% which was primarily due to increases in pension expense related to actuarial updates, increases in contractual expenses related to flood damage, salaries and health insurance costs.
- The District's instruction costs increased by approximately \$661,000 or 4%. This increase was the result of increases in pension expense related to actuarial updates, salaries and health insurance expenses.
- Debt service of the District increased approximately \$127,000 during the year ended June 30, 2024 related to an increase in interest expense.
- Transportation costs of the District increased approximately \$153,000 during the year ended June 30, 2024 primarily due to increases in pension expense related to actuarial updates, salaries and fuel costs.
- The District's cost of sales (food service fund) totaled \$699,000 during the current year as compared to \$684,000 during the fiscal year ended June 30, 2023. This increase was primarily due to increases in food costs.
- The District received approximately \$2,909,000 of operating grants and charges for services from its state and federal grants and tuition and transportation aid which subsidized certain programs of the District.
- Most of the District's net costs (\$22.3 million) were financed by real property taxes and state aid.

Figure A-3 – Condensed Statement of Net Position

Bolivar-Richburg Central School District
Condensed Statement of Net Position (in thousands of dollars)

	Governmental Activities and Total District-wide		
	2024	2023	% Change
Assets			
Current and other assets	\$ 23,848	\$ 15,130	58%
Capital and right-to-use assets	32,810	29,915	10%
Total assets	56,658	45,045	26%
Deferred outflows of resources			
Deferred outflows pensions, refunding, and OPEB	3,722	4,848	-23%
Total deferred outflows of resources and assets	\$ 60,380	\$ 49,893	21%
Liabilities			
Other liabilities	\$ 15,186	\$ 1,343	1031%
Long-term debt outstanding	7,916	9,835	-20%
Total liabilities	23,103	11,178	107%
Deferred inflows of resources			
Deferred inflows related to pensions and OPEB	842	496	70%
Total deferred inflows of resources and liabilities	23,945	11,674	105%
Net Position			
Net investment in capital and right-to-use assets	23,290	23,594	-1%
Restricted	8,082	8,860	-9%
Unrestricted	5,063	5,765	-12%
Total net position	36,435	38,219	-5%
Total liabilities, deferred inflows of resources and net position	\$ 60,380	\$ 49,893	21%

Figure A-4 – Changes in Net Position

Bolivar-Richburg Central School District
Changes in Net Position from Operating Results (in thousands of Dollars)

	Governmental Activities and Total District-wide		
	2024	2023	% Change
Revenue			
Program revenue			
Charges for services	\$ 64	\$ 73	-12%
Operating grants and contributions	2,845	2,702	5%
General revenue			
Real property taxes	2,726	2,721	0%
Use of money & property	346	178	95%
Sale of property & comp for loss	63	34	86%
State sources	16,712	16,074	4%
Federal sources	106	184	-42%
Miscellaneous	593	463	28%
Total revenue	23,455	22,429	5%
Expenses			
General support	5,222	3,948	32%
Instruction	17,058	16,397	4%
Transportation	1,935	1,782	9%
Debt service - interest	324	197	64%
Cost of sales	699	684	2%
Total expenses	25,238	23,008	10%
Change in net position	\$ (1,783)	\$ (579)	

Figure A-5 – Sources of Revenue

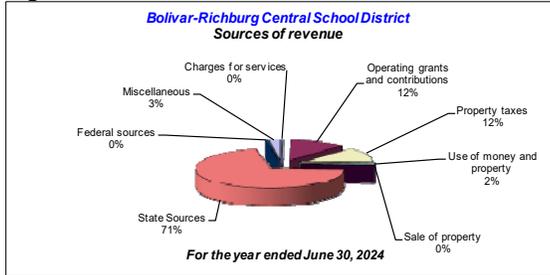


Figure A-6 - Expenses

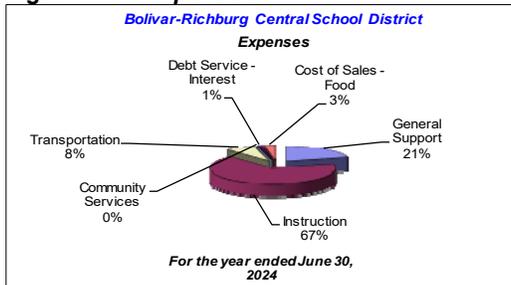


Figure A-7 – Expenditures Supported with Program Revenue

	Governmental Activities & Total District			
	2024		2023	
Expenditures supported with general revenue (from taxes & other sources)	\$ 22,330	88%	\$ 20,233	88%
Expenditures supported with program revenue	2,909	12%	2,775	12%
Total expenditures related to governmental activities	\$ 25,239	100%	\$ 23,008	100%

Figure A-8 – Net Cost of Governmental Activities

	Total cost of services			Net cost of services		
	2024	2023	Change	2024	2023	Change
General support	\$ 5,222	\$ 3,948	\$ 1,274	\$ 5,199	\$ 3,948	\$ 1,251
Instruction	17,058	16,397	661	14,782	14,169	613
Transportation	1,935	1,782	153	1,935	1,782	153
Debt service - interest	324	197	127	324	197	127
Cost of sales - food	699	684	15	89	137	(48)
Total	\$ 25,238	\$ 23,008	\$ 2,230	\$ 22,329	\$ 20,233	\$ 2,096

V. Financial Analysis of the School District's Funds

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The District's general fund expenditures and other uses exceeded revenue and other sources by approximately \$540,000.
- The District's general fund unassigned fund balance equated to approximately \$1,714,000 at June 30, 2024.
- The District maintained many fund balance reserves during the year ended June 30, 2024, and had a total restricted fund balance approximated \$6,680,000.
- The District's total assets decreased approximately \$1,107,000 as of June 30, 2024, primarily from a decrease in cash partially offset by an increase in due from other funds. The District's liabilities decreased approximately \$567,000 related to a decrease in due to other funds.
- Total revenue in the District's general fund increased \$1,106,000, primarily relating to an increase state aid, BOCES aid and interest earnings. Total expenditures in the District's general fund increased by \$2,178,000 related to an increase in salaries and health insurance costs, along with restoration costs required related to flood damage.

Food Service Fund

- The District's food service fund experienced a \$73,000 decrease in fund equity during the current year.
- Revenue in the District's food service fund was \$640,000 during 2024 as compared with \$564,000 in 2023. Expenditures increased approximately \$29,000 as a result of an increase in food costs. In the current and prior year, the District participated in the Community Eligibility Provision (CEP). In the current year, New York State Education Department reimbursed schools for meals served not reimbursed by the Federal government.

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Special Aid Fund

- The District's special aid fund revenue and expenditures increased approximately \$52,000 or 2% which was primarily the result of an increase in Pandemic related Federal grants.

Capital Projects Fund

- The District had expenditures, including interfund transfers, in the amount of \$4,429,000 in capital projects during the year ended June 30, 2024, which was primarily related to costs associated with the District's 2021 capital improvement project, capital outlay project and interfund transfers.

VI. General Fund Budgetary Highlight

Over the course of the year, the District makes many budget transfers, which is the common method utilized to manage the budget throughout the year. Actual expenditures were approximately \$1,238,000 below the revised budget. The most significant positive variances were in the area of instruction and employee benefits which totaled \$1,149,000 and \$558,000, respectively, below that budgeted, while general support was approximately \$781,000, above that budgeted. On the other hand, resources available for appropriations were approximately \$141,000, above the final budgeted amount. Significant variances of revenue items consisted of state sources, which were approximately \$332,000 below that budgeted, while local sources were \$433,000 above that budgeted.

Figure A-9 – Budget vs. Actual Comparison

<i>Bolivar-Richburg Central School District General Fund - Budget vs Actual Comparison (in thousands of dollars)</i>				
	Revised Budget	Actual	Difference	%
Revenue				
Local sources	\$ 3,151	\$ 3,584	\$ 433	14%
State sources	17,044	16,712	(332)	-2%
Federal sources	85	106	21	25%
Interfund revenue	290	309	19	7%
Total revenue	\$ 20,570	\$ 20,711	\$ 141	1%
Expenditures				
General support	\$ 3,544	\$ 4,325	\$ (781)	-22%
Instruction	11,836	10,687	1,149	10%
Transportation	1,486	1,092	394	27%
Employee benefits	4,211	3,653	558	13%
Debt service	1,252	1,399	(147)	-12%
Operating transfers	160	95	65	41%
Total expenditures	\$ 22,489	\$ 21,251	\$ 1,238	6%

VII. Capital and Right-to-Use Assets and Debt Administration

Capital and Right-to-Use Assets

As depicted in Figure A-10, as of June 30, 2024, the District had invested approximately \$32,810,000 in a broad range of capital and right-to-use assets, including reconstruction projects, transportation vehicles and other equipment. Capital additions made during the year ended June 30, 2024, totaled approximately \$5,563,000 and consisted primarily of costs associated with the District's capital outlay project, 2021 capital improvement project and purchase of equipment, including right-to-use equipment. More detailed information about the District's capital and right-to-use assets is presented in the notes of the financial statements.

Long-term Debt

As depicted in Figure A-11, as of June 30, 2024, the District had approximately \$7,916,000 in bonds, net pension liabilities, other post-employment benefits liabilities and compensated absences, a decrease of approximately 20% as compared with the previous year. The decrease in bonds payable and installment purchase debt was the result of the District making regularly scheduled principal payments. Compensated absences decreased from the prior fiscal year as a result of a decrease in accumulated sick days. The District's NYS Employees' Retirement System and NYS Teacher's Retirement System net pension liabilities decreased in the current year as a result of actuarial updates. Also, other post-employment benefits liability increased as a result of an actuarial update.

Figure A-10 – Capital and Right-to-Use Assets

<i>Bolivar-Richburg Central School District Capital and Right-to-Use Assets (net of depreciation/amortization)</i>			
	Governmental Activities & Total District-wide		
	2024	2023	Change
Land	\$ 157,686	\$ 92,686	70%
Buildings	64,398,184	63,089,384	2%
Construction in progress	6,671,305	2,761,022	142%
Equipment	6,972,072	6,803,687	2%
Accumulated depreciation/amortization	(45,389,041)	(42,831,289)	6%
Total Capital and Right-to-Use Assets, net	\$ 32,810,206	\$ 29,915,490	10%

Figure A-11 – Outstanding Long-term Debt

<i>Bolivar-Richburg Central School District Outstanding Long-Term Debt and Liabilities</i>			
	Governmental Activities & Total District-wide		
	2024	2023	Change
Bonds payable	\$ 4,700,720	\$ 5,686,497	-17%
Installment purchase debt	1,132,328	1,225,325	-8%
Net pension liabilities	1,365,668	2,216,505	100%
Other post-employment benefits	455,809	441,614	3%
Compensated absences	261,594	265,466	-1%
Total Long-Term Debt	\$ 7,916,119	\$ 9,835,407	-20%

VIII. Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was not aware of any existing circumstances that could significantly affect its financial health in the future.

- The District is uncertain as to the level of state aid in the upcoming years as it moves out of the Pandemic.
- The 2024-25 New York State budget calls for the Rockefeller Institute to conduct a study to assess the State's Foundation Aid educational funding formula. Modifications to the formula could have an impact on future state aid that is distributed to the District.

IX. Contacting the District's Financial Management

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

Bolivar-Richburg Central School District
Ms. Amy Ginnitti, Business Administrator
100 School Street
Bolivar, New York 14715

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

Schedule 1

Page 11

	<u>2024</u>	<u>2023</u>
Assets		
Cash		
Unrestricted	\$ 4,407,279	\$ 5,249,414
Restricted	8,082,084	8,860,486
Receivables		
State and federal aid	1,511,129	957,921
Other receivables	-	4,581
Due from other governments	-	15,088
Due from other fiduciary funds	108,672	-
Inventories	9,251	11,680
Cash to be used for capital assets	9,729,307	29,704
Capital and right-to-use assets, net	32,810,206	29,915,490
Total assets	<u>56,657,928</u>	<u>45,044,364</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	3,512,573	4,627,628
Deferred outflows related to OPEB	209,478	220,589
Total deferred outflows of resources	<u>3,722,051</u>	<u>4,848,217</u>
Total assets and deferred outflows of resources	<u>\$ 60,379,979</u>	<u>\$ 49,892,581</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 1,680,694	\$ 90,926
Accrued liabilities	233,421	272,348
Accrued interest	26,030	22,964
Due to other governments	536	123
Due to other fiduciary funds	-	78,028
Due to retirement systems	788,074	792,170
Unearned revenue	66,435	85,545
Bond anticipation notes payable	12,391,306	-
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	430,000	865,000
Installment purchase debt	96,298	92,997
Portion due or payable after one year		
Bonds payable	4,270,720	4,821,497
Installment purchase debt	1,036,030	1,132,328
Net pension liability - NYS Employees' Retirement System	979,790	1,549,076
Net pension liability - NYS Teachers' Retirement System	385,878	667,429
Other post-employment benefits	455,809	441,614
Compensated absences	261,594	265,466
Total liabilities	<u>23,102,615</u>	<u>11,177,511</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	789,369	432,730
Deferred inflows related to OPEB	52,414	63,648
Total deferred inflows of resources	<u>841,783</u>	<u>496,378</u>
Total liabilities and deferred inflows of resources	<u>23,944,398</u>	<u>11,673,889</u>
Net Position		
Net investment in capital and right-to-use assets	23,290,149	23,593,707
Restricted	8,082,084	8,860,486
Unrestricted	5,063,348	5,764,499
Total net position	<u>36,435,581</u>	<u>38,218,692</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 60,379,979</u>	<u>\$ 49,892,581</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 2

Page 12

	Expenses	Indirect Expenses Allocation	Program Revenues		2024	2023
			Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Functions/Programs						
General support	\$ 4,693,404	\$ 528,676	\$ -	\$ 22,821	\$ (5,199,259)	\$ (3,947,686)
Instruction	15,404,514	1,654,416	38,308	2,238,542	(14,782,080)	(14,169,783)
Pupil transportation	1,449,810	485,407	-	-	(1,935,217)	(1,782,019)
Debt service	323,750	-	-	-	(323,750)	(197,212)
Food service program	698,566	-	25,727	583,610	(89,229)	(136,983)
Depreciation/amortization	2,668,499	(2,668,499)	-	-	-	-
Total functions and programs	<u>\$ 25,238,543</u>	<u>\$ -</u>	<u>\$ 64,035</u>	<u>\$ 2,844,973</u>	<u>(22,329,535)</u>	<u>(20,233,683)</u>
General Revenues						
Real property taxes					2,726,455	2,720,885
Use of money and property					346,299	177,989
Sale of property and compensation for gain (loss)					63,223	34,048
Miscellaneous					592,031	463,380
State sources					16,711,971	16,073,642
Federal sources					106,445	184,254
Total general revenues					<u>20,546,424</u>	<u>19,654,198</u>
Change in net position					(1,783,111)	(579,485)
Net position - beginning of year					<u>38,218,692</u>	<u>38,798,177</u>
Net position - end of year					<u>\$ 36,435,581</u>	<u>\$ 38,218,692</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

Schedule 3

Page 13



	Governmental Funds						2024	2023
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Assets								
Unrestricted cash	\$ 4,263,217	\$ -	\$ 59,215	\$ -	\$ -	\$ -	\$ 4,322,432	\$ 5,421,853
Restricted cash	6,679,972	-	-	1,402,112	9,729,307	84,847	17,896,238	8,717,751
Due from other funds	1,255,064	62,968	-	-	-	-	1,318,032	1,810,091
State and federal aid receivable	218,562	1,260,307	32,260	-	-	-	1,511,129	957,921
Other receivables	-	-	-	-	-	-	-	4,581
Due from other governments	-	-	-	-	-	-	-	15,088
Inventories	-	-	9,251	-	-	-	9,251	11,680
Total assets	\$ 12,416,815	\$ 1,323,275	\$ 100,726	\$ 1,402,112	\$ 9,729,307	\$ 84,847	\$ 25,057,082	\$ 16,938,965
Liabilities and Fund Equity								
Liabilities								
Accounts payable	\$ 236,072	\$ 406,544	\$ 13,068	\$ -	\$ 1,025,010	\$ -	\$ 1,680,694	\$ 90,926
Accrued liabilities	230,648	1,603	1,170	-	-	-	233,421	272,348
Bond anticipation notes payable	-	-	-	-	12,391,306	-	12,391,306	-
Due to other funds	237,050	850,883	121,427	-	-	-	1,209,360	1,888,119
Unearned revenue	-	64,245	2,190	-	-	-	66,435	85,545
Due to other governments	-	-	536	-	-	-	536	123
Due to Teachers' Retirement System	698,546	-	-	-	-	-	698,546	717,978
Due to Employees' Retirement System	89,528	-	-	-	-	-	89,528	74,192
Total liabilities	1,491,844	1,323,275	138,391	-	13,416,316	-	16,369,826	3,129,231
Fund Equity								
Nonspendable	-	-	9,251	-	-	-	9,251	11,680
Restricted	6,679,972	-	-	1,402,112	-	-	8,082,084	8,860,486
Committed	-	-	-	-	-	84,847	84,847	87,617
Assigned	2,531,220	-	-	-	-	-	2,531,220	1,695,968
Unassigned (deficit)	1,713,779	-	(46,916)	-	(3,687,009)	-	(2,020,146)	3,153,983
Total fund equity (deficit)	10,924,971	-	(37,665)	1,402,112	(3,687,009)	84,847	8,687,256	13,809,734
Total liabilities and fund equity	\$ 12,416,815	\$ 1,323,275	\$ 100,726	\$ 1,402,112	\$ 9,729,307	\$ 84,847	\$ 25,057,082	\$ 16,938,965

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 4

Page 14

	Governmental Funds						2024	2023
	General	Special Aid	Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	(Memo only) Total	(Memo only) Total
Revenue								
Real property taxes	\$ 2,726,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,726,455	\$ 2,720,885
Charges for services	38,308	-	-	-	-	-	38,308	40,954
Use of money and property	324,336	-	5	21,958	-	-	346,299	177,989
Sale of property compensation for loss	63,223	-	-	-	-	-	63,223	34,048
Miscellaneous	431,475	-	30,638	-	57,129	72,789	592,031	463,380
State sources	16,711,971	294,739	54,549	-	-	-	17,061,259	16,552,467
Federal sources	106,445	1,966,624	505,963	-	-	-	2,579,032	2,388,557
Surplus food	-	-	23,098	-	-	-	23,098	18,910
Sales (school food service)	-	-	25,727	-	-	-	25,727	31,665
Total revenue	20,402,213	2,261,363	639,980	21,958	57,129	72,789	23,455,432	22,428,855
Expenditures								
General support	4,324,964	22,821	208,870	-	-	-	4,556,655	3,420,291
Instruction	10,686,661	1,963,674	-	-	-	-	12,650,335	11,605,313
Pupil transportation	1,092,289	-	-	-	-	-	1,092,289	1,378,174
Employee benefits	3,653,260	274,868	130,110	-	-	-	4,058,238	3,575,817
Debt service								
Principal	957,997	-	-	-	-	-	957,997	909,809
Interest	441,461	-	-	-	-	-	441,461	337,725
Capital outlay	-	-	-	-	4,371,697	-	4,371,697	2,285,649
Cost of sales	-	-	316,500	-	-	-	316,500	292,431
Other expenses	-	-	57,179	-	-	75,559	132,738	96,908
Total expenditures	21,156,632	2,261,363	712,659	-	4,371,697	75,559	28,577,910	23,902,117
Excess (deficiency) of revenue over expenditures	(754,419)	-	(72,679)	21,958	(4,314,568)	(2,770)	(5,122,478)	(1,473,262)
Other sources and uses								
Operating transfers in	309,210	-	-	37,919	94,649	-	441,778	786,951
Operating transfers out	(94,649)	-	-	(290,000)	(57,129)	-	(441,778)	(786,951)
Total other sources (uses)	214,561	-	-	(252,081)	37,520	-	-	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	(539,858)	-	(72,679)	(230,123)	(4,277,048)	(2,770)	(5,122,478)	(1,473,262)
Fund equity, beginning of year	11,464,829	-	35,014	1,632,235	590,039	87,617	13,809,734	15,282,996
Fund equity (deficit), end of year	\$ 10,924,971	\$ -	\$ (37,665)	\$ 1,402,112	\$ (3,687,009)	\$ 84,847	\$ 8,687,256	\$ 13,809,734

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2024

Schedule 5

Page 15

	Private Purpose Trust 06/30/24	Private Purpose Trust 06/30/23
Assets		
Cash	\$ 22,943	\$ 22,551
Investments	5,153,766	3,550,248
Due from other funds	181,774	78,028
	<hr/>	<hr/>
Total assets	\$ 5,358,483	\$ 3,650,827
	<hr/>	<hr/>
Due to other funds	\$ 290,446	-
	<hr/>	<hr/>
Total liabilities	290,446	-
	<hr/>	<hr/>
Net position		
Reserved for scholarships	\$ 5,068,037	\$ 3,650,827
	<hr/>	<hr/>
Total liabilities and net position	\$ 5,358,483	\$ 3,650,827
	<hr/>	<hr/>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Schedule 6

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	Purpose Trust 06/30/24	Purpose Trust 06/30/23
Additions		
Gifts and contributions	\$ 974,076	\$ 377,056
Interest and dividends	192,777	46,226
Gain on investments	442,337	303,241
Total additions	<u>1,609,190</u>	<u>726,523</u>
Deductions		
Scholarships awarded	<u>191,980</u>	<u>190,046</u>
Total deductions	<u>191,980</u>	<u>190,046</u>
Change in net position	1,417,210	536,477
Net position - beginning of year	<u>3,650,827</u>	<u>3,114,350</u>
Net position - end of year	<u>\$ 5,068,037</u>	<u>\$ 3,650,827</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

Total fund balances - governmental funds \$ 8,687,256

Amounts reported for governmental activities in the statement of net position are different because:

Capital and right-to-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital and right-to-use assets consist of the following at year-end:

Cost of the assets	\$ 78,199,247	
Accumulated depreciation/amortization	<u>(45,389,041)</u>	32,810,206

Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(26,030)
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Deferred inflows/outflows of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, pension expense is based on required contributions.	2,723,204
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Deferred inflows/outflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, OPEB expense is based on required contributions.	157,064
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

Bonds payable	(4,700,720)	
Installment purchase debt	(1,132,328)	
Net pension liability - ERS	(979,790)	
Net pension liability - TRS	(385,878)	
Other post-employment benefits	(455,809)	
Compensated absences	<u>(261,594)</u>	<u>(7,916,119)</u>

Total net position - governmental activities \$ 36,435,581

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Liability and Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
Assets					
Cash	\$ 22,218,670	\$ -	\$ -	\$ (9,729,307)	\$ 12,489,363
Due from other funds	1,318,032	-	-	(1,209,360)	108,672
State and federal aid receivable	1,511,129	-	-	-	1,511,129
Inventories	9,251	-	-	-	9,251
Cash to be used for capital assets	-	-	-	9,729,307	9,729,307
Capital and right-to-use assets, net	-	32,810,206	-	-	32,810,206
Total assets	25,057,082	32,810,206	-	(1,209,360)	56,657,928
Deferred Outflows of Resources					
Deferred outflows related to pensions	-	3,512,573	-	-	3,512,573
Deferred outflows related to OPEB	-	209,478	-	-	209,478
Total assets and deferred outflows of resources	\$ 25,057,082	\$ 36,532,257	\$ -	\$ (1,209,360)	\$ 60,379,979
Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position					
Liabilities					
Accounts payable	\$ 1,680,694	\$ -	\$ -	\$ -	\$ 1,680,694
Accrued liabilities	233,421	-	-	-	233,421
Accrued interest	-	-	26,030	-	26,030
Due to other funds	1,209,360	-	-	(1,209,360)	-
Unearned revenue	66,435	-	-	-	66,435
Due to other governments	536	-	-	-	536
Due to retirement systems	788,074	-	-	-	788,074
Bond anticipation notes payable	12,391,306	-	-	-	12,391,306
Bonds payable	-	-	4,700,720	-	4,700,720
Installment purchase debt	-	-	1,132,328	-	1,132,328
Net pension liability - NYS ERS	-	-	979,790	-	979,790
Net pension liability - NYS TRS	-	-	385,878	-	385,878
Other post-employment benefits	-	-	455,809	-	455,809
Compensated absences	-	-	261,594	-	261,594
Total liabilities	16,369,826	-	7,942,149	(1,209,360)	23,102,615
Deferred Inflows of Resources					
Deferred inflows related to pensions	-	-	789,369	-	789,369
Deferred inflows related to OPEB	-	-	52,414	-	52,414
Total liabilities and deferred inflows of resources	16,369,826	-	8,783,932	(1,209,360)	23,944,398
Fund equity and net position	8,687,256	36,532,257	(8,783,932)	-	36,435,581
Total liabilities, deferred inflows of resources and fund equity/net position	\$ 25,057,082	\$ 36,532,257	\$ -	\$ (1,209,360)	\$ 60,379,979

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Total net change in fund balances - governmental funds \$ (5,122,478)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. Activity for the current fiscal year ended was as follows:

Capital outlays	\$ 5,563,215	
Depreciation expense/amortization	<u>(2,668,499)</u>	2,894,716

Repayment of bond principal, including bond refundings, bond anticipation notes principal is an expenditure the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 957,997

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus required the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. In addition, premiums on debt obligations are recorded as revenue in the governmental funds, whereas in the statement of activities, premiums are amortized into interest expense. 117,711

District's proportionate share of actuarial calculated pension expense and net amortization of deferred outflows and inflows related to pension are recorded in the statement of activities, whereas in the governmental funds pension expense is based on District's required contribution to pension plans. (620,857)

District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds OPEB expense is based on District's required contribution to the OPEB plan. (14,072)

In the statement of activities, certain operating expenses - compensated absences, and special termination benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences and special termination benefits changed by this amount. 3,872

Change in net position of governmental activities \$ (1,783,111)

	Total Governmental Funds	Long-term Asset and Outflow Transactions	Long-term Asset and Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
Revenue					
Real property taxes	\$ 2,726,455	\$ -	\$ -	\$ -	\$ 2,726,455
Charges for services	38,308	-	-	(38,308)	-
Use of money and property	346,299	-	-	-	346,299
Sale of property compensation for loss	63,223	-	-	-	63,223
Miscellaneous	592,031	-	-	-	592,031
State sources	17,061,259	-	-	(349,288)	16,711,971
Federal sources	2,579,032	-	-	(2,472,587)	106,445
Surplus food	23,098	-	-	(23,098)	-
Sales (school food service)	25,727	-	-	(25,727)	-
Total revenue	23,455,432	-	-	(2,909,008)	20,546,424
Expenditures					
General support	4,556,655	343,684	-	298,920	5,199,259
Instruction	12,650,335	661,983	(3,872)	1,473,634	14,782,080
Pupil transportation	1,092,289	485,407	-	357,521	1,935,217
Employee benefits	4,058,238	-	634,929	(4,693,167)	-
Debt service	1,399,458	-	(1,075,708)	-	323,750
Capital outlay	4,371,697	(4,371,697)	-	-	-
Cost of sales	316,500	-	-	(227,271)	89,229
Other expenses	132,738	(14,093)	-	(118,645)	-
Total expenditures	28,577,910	(2,894,716)	(444,651)	(2,909,008)	22,329,535
Excess (deficiency) of revenue over expenditures	(5,122,478)	2,894,716	444,651	-	(1,783,111)
Other sources and uses					
Operating transfers in	441,778	-	-	(441,778)	-
Operating transfers out	(441,778)	-	-	441,778	-
Total other sources (uses)	-	-	-	-	-
Net change for year	\$ (5,122,478)	\$ 2,894,716	\$ 444,651	\$ -	\$ (1,783,111)

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Significant Accounting Policies

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

A. Reporting Entity

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

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

1. The Extraclassroom Activity Funds

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

B. Joint Venture

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture (continued)

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

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

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

During the year, the District was billed \$5,051,000 for BOCES administration and program costs. The District's share of BOCES aid and refunds amounted to \$2,800,000 for the year ended June 30, 2024. Financial statements for the Cattaraugus-Allegany BOCES are available at the BOCES administrative offices in Olean, New York.

C. Basis of Presentation

1. District-wide Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

1. District-wide Statements (continued)

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

2. Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

Capital Projects - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

2. Fund Financial Statements (continued)

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

Miscellaneous Special Revenue - is used to account for and report revenues that are committed to expenditures for student activities.

3. Fiduciary Fund Types

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. Included in the Fiduciary Fund are Private Purpose Trust Funds. Private Purpose Trust Funds are accounted for on the accrual basis of accounting.

D. Measurement Focus and Basis of Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

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

E. Cash and Cash Equivalents

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

F. Inventory

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

G. Investments

Investments are stated at current market value.

H. Capital Assets

Capital assets are reported at estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets (continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 2,000	Straight-line	15-40 years
Land improvements	2,000	Straight-line	15-40 years
Furniture and equipment	2,000	Straight-line	5-20 years
Transportation Vehicles	2,000	Straight-line	8 years

I. Due To/From Other Funds

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

J. Deferred Inflows and Outflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Deferred Inflows and Outflows of Resources (continued)

The District has two items that qualify for reporting in this category. First is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs and differences between expected and actual experience.

K. Compensated Absences

Sick leave and Retirement Incentive Pay - certain of the District's employee groups have negotiated retirement incentive benefits payable based on accumulated unused sick days. Generally, the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems. The District has recorded an estimated liability in the District-wide financial statement amounting to \$261,594 to recognize the cost of the incentive benefits for those employees eligible to receive such a benefit. Payment of these benefits is dependent on many factors; therefore, the timing of future payments is not readily determinable.

The District believes sufficient resources and budgetary appropriations will be available as the benefits become payable in future years. The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the government-wide financial statements.

L. Post-Employment Benefits

In addition to the retirement benefits described in Note 3VIB, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Unearned Revenue

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

N. Fund Equity

1. Governmental Funds

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below:

A. Nonspendable

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

1. Inventory Reserve

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

B. Restricted

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

1. Capital and Transportation Reserves

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

2. Insurance Reserve

This reserve is used to pay liability, casualty and other types of losses, except losses incurred for which the following type of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. The reserve is recorded in the General Fund.

3. Reserve for Employee Benefits

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

4. Unemployment Reserve

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

5. Employee Retirement Contribution Reserve

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

6. Teachers' Retirement System Reserve Subfund

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

7. Debt Service Reserve

This reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations, and remaining bond proceeds not to be utilized for the intended purpose. These monies must be used to pay the debt service of the obligations from which they originated or were designated by Board resolution. These reserves are accounted for in the Debt Service Fund.

8. Reserve for Repairs

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

9. Endowment Scholarships Reserve

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

B. Restricted (continued)

10. Liability Reserve

This reserve is used to accumulate funds to pay liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. The reserve is accounted for in the General Fund.

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the fund balance of the extraclassroom activities as committed fund balance as of June 30, 2024.

D. Assigned

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

1. Encumbrance Reserve

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund.

The cost of construction contract commitments generally is recorded as an encumbrance of Capital Projects Fund and is presented as a reserve for encumbrances. These committed amounts generally will become liabilities in future periods as the construction work is performed by the contractors. Encumbrances outstanding at year-end are reported as reservations of fund equity since they do not constitute expenditures or liabilities. Reserve for encumbrances totaled \$454,946 as of June 30, 2024.

2. Appropriated Fund Equity

General Fund - The amount of \$2,076,274 has been designated as the amount estimated to be appropriated to reduce taxes for the year ending June 30, 2025 as allowed by Section 1318 of the Real Property Tax Law.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Fund Equity (continued)

1. Governmental Funds (continued)

E. Unassigned

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

2. Government-wide Financial Statements

A. Net investment in capital and right-to-use assets

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

B. Restricted

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

C. Unrestricted

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

3. Order of Fund Balance Spending Policy

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

- a. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;
- b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance)
- d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- e. Unassigned fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

- a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.
- b) The proposed appropriations budget is approved by the voters within the District.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The District had supplemental appropriations of \$110,000 during the fiscal year ended June 30, 2024 related to the purchase of a truck, plow and field groomer.

2. Budget Basis for Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Property Taxes

1. Calendar

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

2. Enforcement

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

Q. Interfund Transfers

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

R. Deferred Compensation Plan

Bolivar-Richburg Central School District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b) - Tax Sheltered Annuities (TSA). The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' TSA plan administrator. The TSA plans are owned by the individuals and held in trust by the plan administrator. The School District has a fiduciary responsibility for funds withheld and remittance to trustees.

S. Estimates

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

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

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

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

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

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

1. Long-term Revenue Differences

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

2. Capital Related Differences

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

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

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

3. Long-term Debt Transaction Differences

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

4. Pension Differences

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

5. OPEB Differences

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

NOTE 3 - DETAIL NOTES ON ALL FUNDS

I. Cash

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

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

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. While the District does not have a specific policy with regards to custodial credit risk, New York State statutes govern the District's investment policies. At June 30, 2024, the District's deposits were fully collateralized.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

I. Cash (continued)

A. Deposits

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

- (1) Insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the entity or by its agent in the entity's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name; or
- (3) Uncollateralized

Total financial institution (bank) balances at June 30, 2024 per the bank were approximately \$22,517,000. Deposits on hand at June 30, 2024 are categorized as follows:

Category 1	Category 2	Category 3	Carrying Value
\$ 750,000	\$ 21,767,000	\$ -	\$ 22,517,000

II. Investments

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

- (1) Insured or registered, or investments are held by the School District or by the School District's agent in the School District's name,
- (2) Uninsured and unregistered, with the investments held by the financial institutions trust department in the School District's name;
- (3) Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the School District's name.

Private Purpose Trust	Market Value
Mutual Funds	\$ 5,153,766

These investments are held in the School District's name and are uninsured. The market value of the investments as of June 30, 2024 is based on unadjusted quoted prices in active markets for identical assets and liabilities.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

III. Interfund Transactions

Interfund balances and transactions as of and during the year ended June 30, 2024 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,255,064	\$ 237,050
Debt Service Fund	-	-
School Lunch Fund	-	121,427
Special Aid Fund	62,968	850,883
Capital Fund	-	-
Private Purpose Trust Fund	181,774	290,446
Total	\$ 1,499,806	\$ 1,499,806

	Interfund Revenue	Interfund Expenditures
General Fund	\$ 309,210	\$ 94,649
School Lunch Fund	-	-
Special Aid Fund	-	-
Capital Fund	94,649	57,129
Debt Service Fund	37,919	290,000
Total	\$ 441,778	\$ 441,778

During the year ended June 30, 2024, the District transferred \$94,649 from the general fund to the capital fund towards the capital outlay project. The District also transferred \$37,919 from the capital projects fund to the debt service fund and \$57,129 from the capital projects fund to the general fund related to premiums earned on bond anticipation notes. Lastly, the District transferred 290,000 from the debt service fund to the general fund to be utilized towards debt payments as budgeted.

IV. Receivables

Receivables at June 30, 2024 are stated at net realizable value. District management has deemed the amounts to be fully collectible.

Fund	Description	Amount
Special Aid	State and Federal Aid	\$ 1,260,307
Food Service	State and Federal Aid	32,260
General	State and Federal Aid	218,562
General	Due from Other Governments	-
		\$ 1,511,129

V. Capital and Right-to-Use Assets

A. Right-to-Use Asset

The District reported right-to-use assets net of amortization as of June 30, 2024 and 2023 in the amount of \$523,058 and \$557,916, respectively. More information related to the right-to-use assets is disclosed in Note 8.

B. Additions

Total additions, including right-to-use assets, during the current year amounted to \$5,563,215.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS (continued)

V. Capital and Right-to Use Assets (continued)

C. Capital Assets

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

Governmental activities:	Beginning Balance 06/30/23	Net change	Ending Balance 06/30/24
Capital assets that are not depreciated:			
Land	\$ 92,686	\$ 65,000	\$ 157,686
Construction-in-progress	2,761,022	3,910,283	6,671,305
Capital assets that are depreciated:			
Buildings and improvements	63,089,384	1,308,800	64,398,184
Furniture and Equipment	5,955,134	131,585	6,086,719
Total historical cost	<u>71,898,226</u>	<u>5,415,668</u>	<u>77,313,894</u>
Less accumulated depreciation:			
Buildings and improvements	38,955,801	1,957,864	40,913,665
Furniture and equipment	3,584,851	528,230	4,113,081
Total accumulated depreciation	<u>42,540,652</u>	<u>\$ 2,486,094</u>	<u>45,026,746</u>
Total net book value	<u>\$ 29,357,574</u>		<u>\$ 32,287,148</u>

D. Depreciation and Amortization

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

General support	\$ 528,676
Instruction	1,654,416
Pupil transportation	485,407
	<u>\$ 2,668,499</u>

VI. Liabilities

A. Pension Plans

1. Plan Descriptions and Benefits Provided

a. Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities

A. Pension Plans (continued)

1. Plan Descriptions and Benefits Provided (continued)

a. Teachers' Retirement System (TRS) continued

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

b. Employees' Retirement System (ERS).

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

2. Contributions

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

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

Year	TRS	ERS
2024	\$ 612,000	\$ 297,000
2023	\$ 641,000	\$ 250,000
2022	\$ 604,000	\$ 333,000

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

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

At June 30, 2024, the District reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

Measurement date	ERS 3/31/2024	TRS 6/30/2023
Net pension asset (liability)	\$ (979,790)	\$ (385,878)
District's portion of the Plan's total net pension Liability	.0066544%	.033743%

For the year ended June 30, 2024, the District's recognized pension expense of \$443,662 for ERS and \$1,100,577 for TRS. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 315,589	\$ 935,652	\$ 26,716	\$ 2,312
Changes of assumptions	370,436	830,784	-	181,065
Net difference between projected and actual earnings on pension plan investments	-	197,253	478,622	-
Changes in proportion and differences between the Districts contributions and proportionate share of contributions	91,463	70,166	55,313	45,341
District's contributions subsequent to the measurement date	89,528	611,702	-	-
Total	\$ 867,016	\$ 2,645,557	\$ 560,651	\$ 228,718

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

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

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, including pension contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

	ERS	TRS
Year ending:		
2025	\$ (164,176)	\$ 166,356
2026	208,234	(200,693)
2027	282,047	1,557,580
2028	(109,268)	120,875
2029	-	97,397
Thereafter	-	63,622

4. Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/24	6/30/23
Actuarial valuation date	4/1/23	6/30/22
Interest rate	5.9%	6.95%
Salary scale	4.4% average 4/1/15 – 3/31/20	1.95% - 5.18% 7/1/15 – 6/30/20
	System's Experience	System's Experience
Decrement tables	Experience	Experience
Inflation rate	2.9%	2.4%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

4. Actuarial Assumptions (continued)

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active members' mortality rates are based on plan members' experience.

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2021. For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

	ERS 3/31/24	Expected Rate of Return	TRS 6/30/23	Expected Rate of Return
Measurement date				
Asset Type:				
Domestic equity	32%	4.00%	33%	6.8%
International equity	15%	6.65%	15%	7.7%
Global equity	-	-	4%	7.2%
Private equity	10%	7.25%	9%	10.1%
Real Estate	9%	4.60%	11%	6.3%
Opportunistic/ARS portfolio	3%	5.25%	-	-
Credit	4%	5.40%	-	-
Real assets	3%	5.79%	-	-
Domestic fixed income	-	-	16%	2.2%
Global Bonds	-	-	2%	1.6%
Real estate debt	-	-	6%	3.2%
Private debt	-	-	2%	6.0%
High-yield fixed income	-	-	1%	4.4%
Fixed Income	23%	1.50%	-	-
Cash	1%	.25%	1%	.3%
Total:	<u>100%</u>		<u>100%</u>	

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

5. Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset/ (liability)	\$ (3,080,559)	\$ (979,790)	\$ 774,788

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

6. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption (continued)

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ (5,877,122)	\$ (385,878)	\$ 4,232,495

7. Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS 3/31/24	TRS 6/30/23
Employers' total pension liability	\$ 240,696,851	\$ 138,365,122
Plan net position	\$ 225,972,801	\$ 137,221,537
Employers' net pension asset (liability)	\$ (14,724,050)	\$ (1,143,585)
Ratio of plan net position to be Employers' total pension asset (liability)	93.88%	99.20%

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

A. Pension Plans (continued)

8. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$89,528.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$698,546 (employer contribution \$611,702 and employee contributions of \$86,844).

B. Other Post-Employment Benefits

Plan Description

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

Employees Covered by Benefit Terms

For the fiscal year ended June 30, 2024 the plan had total active employees of 126 and retirees of 23.

Total OPEB Liability

The District's total OPEB liability of \$455,809 was measured as of July 1, 2023.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% per year Based on NYSTRS and NYSERS valuations as of June 30, 2021 and March 31, 2022, respectively
Salary increases	4.13% as of June 30, 2024
Discount rate	8.0% for 2023, decreasing 0.5% to 4.5% for 2029 and later.
Healthcare cost trend rates	Retirees pay the full cost of coverage with the exception of certain administrators
Retirees' share of benefit-related costs	

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds.

Mortality rates were based on the MP-2021 Headcount Weighted Mortality Tables.

The actuarial assumptions used for the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2020 - July 1, 2021.

Changes in the Total OPEB Liability

Service cost	\$ 14,439
Interest	17,692
Differences between expected and actual experience	10,110
Changes in assumptions	19,398
Benefit payments	<u>(47,444)</u>
Net changes	14,195
Net OPEB liability – beginning of year	441,614
Net OPEB liability – end of year	<u>\$ 455,809</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.09% in 2023 to 4.13% in 2024. Changes in health care trend rate from 7.5%-4.5% to 8.0%-4.5%.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) that the current discount rate:

	1% Decrease (3.13%)	Current Assumption (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 486,615	\$ 455,809	\$ 426,924

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (initial rate of 7.0% decreasing by .5% annually until reaching 3.5%)	Current Assumption (initial rate of 8.0% decreasing by .5% annually until reaching 4.5%)	1% Increase (initial rate of 9.0% decreasing by .5% annually until reaching 5.5%)
Total OPEB liability	\$ 414,883	\$ 455,809	\$ 502,873

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

For the year ended June 30, 2024, the District recognized OPEB expense in the amount of \$50,094. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

B. Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 120,055	\$ 23,559
Benefit payments subsequent to the measurement date	36,022	-
Changes in assumptions	53,401	28,855
Total	\$ 209,478	\$ 52,414

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

Year ending:	
2025	\$ 17,963
2026	17,962
2027	15,113
2028	18,794
2029	20,048
Thereafter	31,162

C. Indebtedness

1. Short-Term Debt

a. Bond Anticipation Notes

The District may issue Bond Anticipation Notes, in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds.

State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

On December 28, 2024, the District issued bond anticipation notes in the amount of \$7,000,000 with an interest rate of 4.25%. These notes matured on June 27, 2024. On June 26, 2024, the District issued bond anticipation notes in the amount of \$12,391,306 with an interest rate of 4.25%. Proceeds from the notes were used to pay the notes that matured on June 27, 2024 and to provide \$5,391,306 of proceeds to be used towards the capital project.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

1. Short-Term Debt (continued)

b. Short-Term Debt Interest

The District had interest on short-term debt for the year ended June 30, 2024 in the amount of \$147,924.

2. Long-Term Debt

a. Debt Limit

At June 30, 2024, total indebtedness represents 98% of its debt limit.

b. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of capital assets. These long-term liabilities, which are full faith and credit debt of the District, are recorded in the Statement of Net Position. The provisions to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities. The District also has issued installment purchase debt over the years to finance the purchase of transportation vehicles and buses.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

c. Changes

The changes in the School District's indebtedness during the year ended June 30, 2024 and 2023 are as follows:

	Balance		Balance
	June 30, 2024		June 30, 2023
2012 Serial Bonds	\$ 103,046	\$	592,756
2016 Serial Bonds	614,566		710,035
2020 Serial Bonds	3,983,108		4,383,706
Installment Purchase Debt	1,132,328		1,225,325
Other post-employment benefits	455,809		441,614
Compensated absences	261,594		265,466
Net pension liability - ERS	979,790		1,549,076
Net pension liability - TRS	385,878		667,429
	\$ 7,916,119	\$	9,835,407

During the year, the District made principal payments on its serial bonds in the amount of \$865,000 and made payments on an equipment lease related to the energy performance contract in the amount of \$92,997. The District had amortization of bond premiums in the amount of \$120,777. The change in compensated absences was a net decrease of \$3,872 during the fiscal year ended June 30, 2024. The net change in other post-employment benefits was an increase of \$14,195 during the fiscal year ended June 30, 2024. Lastly, the District's proportionate share of the net pension liability related to ERS and TRS decreased by \$569,286 and \$281,551 during the current year related to actuarial updates.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity

1. The following is a summary of long-term debt outstanding:

Serial Bonds, issued in 2012 with a maturity date of 2028, bonds carry interest at 3.0%-5.0%.	\$	100,000
Plus: unamortized bond premium on bond issuance.		3,046
	\$	<u>103,046</u>

Serial Bonds, issued in 2016 through DASNY with a maturity date of 2030, bonds carry interest at 2.0%-5.0%.	\$	565,000
Plus: unamortized bond premium on bond issuance.		49,566
	\$	<u>614,566</u>

Serial Bonds, issued in 2020 through DASNY with a maturity date of 2033 bonds carry interest at 5.0%.	\$	3,515,000
Plus: unamortized bond premium on bond issuance.		468,108
	\$	<u>3,983,108</u>

Installment Purchase Debt related to energy performance project, issued in 2019 with a final renewal term ending in 2034, carry interest at 3.550% per annum.	\$	1,132,328
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2. The following is a summary of maturing debt service requirements for serial bonds and installment purchase debt:

Year	Serial Bonds – 2012	
	Principal	Interest
2025	\$ 25,000	\$ 3,688
2026	25,000	2,438
2027	25,000	1,688
2028	25,000	875
Total	<u>\$ 100,000</u>	<u>\$ 8,689</u>

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

d. Maturity (continued)

Year	Serial Bonds – 2016	
	Principal	Interest
2025	\$ 85,000	\$ 27,350
2026	90,000	23,100
2027	90,000	19,500
2028	95,000	15,000
2029	100,000	10,250
2030	105,000	5,250
Total	<u>\$ 565,000</u>	<u>\$ 100,450</u>

Year	Serial Bonds – 2020	
	Principal	Interest
2025	\$ 320,000	\$ 175,750
2026	335,000	159,750
2027	350,000	143,000
2028	370,000	125,500
2029	390,000	107,000
2030-2033	1,750,000	224,250
Total	<u>\$ 3,515,000</u>	<u>\$ 935,250</u>

Year	Installment Purchase Debt	
	Principal	Interest
2025	\$ 96,298	\$ 40,198
2026	99,717	36,779
2027	103,257	33,239
2028	106,923	29,574
2029	110,718	25,778
2030-2034	615,415	67,064
Total	<u>\$ 1,132,328</u>	<u>\$ 232,632</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VI. Liabilities (continued)

C. Indebtedness (continued)

2. Long-Term Debt (continued)

e. Refunding of Long-Term Debt

In prior years, the District defeased other general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and liability or the defeased bonds are not included in the District's financial statements.

f. Long-Term Debt Interest

Interest expense on long-term debt amounted to \$293,537 for the year ended June 30, 2024.

g. Premiums, Debt Issuance Costs and Amortization

Net premiums resulting from bond and other debt refinancing are being amortized over the life of the relating debt using the interest method. These premiums are accordingly included in the outstanding principal balances for the bonds. Debt issuance costs related to the bonds were expensed in accordance with GASB 65.

VII. Fund Equity

A. Deficit Fund Balance

Capital Projects Fund

The District's capital project fund had an accumulated deficit in the amount of \$3,687,009 as of June 30, 2024. It is not uncommon for school districts to have deficit balances in the capital project funds as a result of short-term debt being recorded as a liability until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue. In addition, the District had expenditures related to its smart bond act project which it anticipates will be reimbursed by New York State Education Department, at which time it will be recognized as revenue

Food Service Fund

As of June 30, 2024, the District had an accumulated deficit in the amount of \$37,665 in the food service fund. Management is developing plans to alleviate this deficit in future years.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VII. Fund Equity

B. Classifications

The District's fund equity is comprised of the follow components:

Fund	Reservation Purposes	Balance June 30, 2024
Nonspendable:		
Food Service	Inventory	\$ 9,251
Restricted:		
General	Liability reserve	\$ 516,446
	Unemployment reserve	210,560
	Reserve for insurance	1,275,008
	Reserve for retirement system contributions	628,413
	TRS contribution reserve subfund	434,718
	Capital reserve	2,151,360
	Capital transportation reserve	592,077
	Repair reserve	67,730
	Employee benefits reserve	803,660
		<u>\$ 6,679,972</u>
Debt Service	Reserve for debt service	\$ 1,402,112
Private Purpose	Reserve for endowment Scholarships	<u>\$ 5,068,037</u>
Committed:		
Miscellaneous Special Revenue	Extraclassroom fund balance	\$ 84,847
Assigned:		
General	Appropriated fund balance	\$ 2,076,274
	Reserve for encumbrances	454,946
		<u>\$ 2,531,220</u>

C. District-wide Net Position

Net position of the District include restricted net position of \$8,082,084 which represent restricted amounts in the general and debt service funds as presented above.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VIII. Commitments and Contingencies

A. Risk Financing and Related Insurance

1. General Information

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

2. Risk Sharing Pools

For its employee health and accident coverage, *Bolivar-Richburg Central School District* is a participant in the Cattaraugus-Allegany Regional Medical Plan, a public entity risk pool operated for the benefit of 22 individual governmental units located within Allegany and Cattaraugus Counties. The School District pays monthly premiums to the Plan for this health coverage.

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

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

B. Federal and State Grants

The District has received grants reported in the special aid fund which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds.

Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, will not be material.

NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)

VIII. Commitments and Contingencies (continued)

C. Compensated Absences

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports approximately \$299,000 as of June 30, 2024 for accumulating non-vesting sick leave.

D. Litigation

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

NOTE 4 - CAPITAL PROJECTS

On December 8, 2021, the voters of the District approved an \$15,375,600 renovation project. The proposed budget of this capital project included expenditures for architectural and improvement costs to its Bolivar, Richburg and Pre-Kindergarten campuses. Expenditures related to the project totaled \$4,277,048 during the year ended June 30, 2024.

The District also had costs associated with a capital outlay project in the amount of \$94,649 during the year ended June 30, 2024.

NOTE 5 - FAIR VALUE MEASUREMENTS

As noted in Note 3II, the District has investments that are reported at fair value in the Statement of Fiduciary Net Position. GASB 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs on the hierarchy consist of unadjusted quoted prices in active markets and have the highest priority. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities. Level 3 inputs have the lowest priority and consist of assets and liabilities that are measured on a recurring basis using unobservable inputs. The District had \$5,153,766 of investments in mutual funds related to a scholarship endowment that is considered to be a level 1 input.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 – COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$727,000 of CRRSA Act assistance to the District. During the years ended June 30, 2024, 2023, 2022 and 2021, the District has expended \$-, \$362,353, \$364,397 and \$0, respectively, of the CRRSA funds.

Lastly, in March 2021, the American Rescue Plan (ARP) Act was passed which provided further assistance to school districts. The New York State Department of Education has allocated approximately \$3,384,000 of ARP Act assistance to the District. During the years ended June 30, 2024, 2023, 2022 and 2021, the District has expended \$1,422,793, \$790,841, \$494,579 and \$0, respectively, of the ARP funds.

NOTE 7 – PRIVATE PURPOSE TRUST FUND

During the fiscal years ended June 30, 2024 and 2023, the District received contributions totaling \$970,168 and \$362,311 from a beneficiary's will. The amount was reflected in the private purpose trust fund as gifts and contribution revenue during the current year and will provide scholarship assistance to students of the District.

NOTE 8 – RIGHT-TO-USE ASSETS/LEASES

The District has entered into various agreements with Erie 1 BOCES to acquire IT and computer equipment. The equipment is owned by Erie 1 BOCES, however the District has recognized a right-to-use asset in accordance with Governmental Accounting Standards Board Statement No. 87, Leases. The District paid cash for the equipment rather than through an installment purchase agreement. The District amortizes its right-to-use assets over a period of 5 years.

NOTE 8 – RIGHT-TO-USE ASSETS/LEASES (CONTINUED)

Below is a summary of the activity of the District's right-to-use assets during the year ended June 30, 2024:

	Balance 7/1/2023	Additions
Right-to-use asset	\$ 848,553	\$ 145,047
Accumulated amortization	(290,637)	(179,905)
	<u>\$ 557,916</u>	<u>\$ (34,858)</u>
		Balance 6/30/2024
Right-to-use asset	\$ (108,247)	\$ 885,353
Accumulated amortization	108,247	(362,295)
	<u>\$ -</u>	<u>\$ 523,058</u>

NOTE 9 – FLOOD COSTS

On July 3, 2023, the District experienced flooding from heavy rains that moved through the area. The flood caused significant damage to its athletic fields and other property, located at its Bolivar, New York campus, which required remediation costs of approximately \$868,000. These costs are included general support expenditures during the fiscal year ended June 30, 2024 financial statements. The District received approximately \$25,000 of insurance proceeds towards the loss.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 6, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Adopted Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
Revenues				
Local Sources:				
Real property taxes and tax items	\$ 2,714,763	\$ 2,714,763	\$ 2,714,763	\$ -
Real property tax items	6,000	6,000	11,692	5,692
Charges for services	30,000	30,000	38,308	8,308
Use of money and property	50,000	50,000	324,336	274,336
Sale of property and compensation for loss	500	500	63,223	62,723
Miscellaneous	350,000	350,000	431,475	81,475
State Sources:				
Basic formula	14,424,502	14,424,502	14,193,120	(231,382)
BOCES	2,550,244	2,550,244	2,449,935	(100,309)
Textbooks	39,552	39,552	39,494	(58)
All other aid	29,421	29,421	29,422	1
Federal Sources:				
Medicaid reimbursement	85,000	85,000	106,445	21,445
Total revenue	20,279,982	20,279,982	20,402,213	122,231
Other Sources				
Operating transfer in	290,000	290,000	309,210	19,210
Total revenue and other sources	20,569,982	20,569,982	\$ 20,711,423	\$ 141,441
Supplemental appropriation - truck, plow and field groomer	-	110,000		
Appropriated fund equity - use of reserves	726,702	726,702		
Appropriated fund equity and carryover encumbrances	1,054,641	1,082,595		
Total revenue, other sources and appropriated fund equity	\$ 22,351,325	\$ 22,489,279		

	Adopted Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
Expenditures					
General Support:					
Board of education	\$ 18,000	\$ 18,000	\$ 24,860	\$ -	\$ (6,860)
Central administration	237,610	390,025	342,152	-	47,873
Finance	287,183	287,183	321,425	-	(34,242)
Staff	429,425	437,974	578,899	-	(140,925)
Central services	1,902,899	2,028,774	2,705,532	-	(676,758)
Special items	382,026	382,026	352,096	-	29,930
Instructional:					
Instruction, administration and improvement	880,741	805,741	783,063	-	22,678
Teaching - regular school	5,671,864	5,593,909	4,898,570	-	695,339
Programs for children with handicapping conditions	2,886,131	2,886,131	2,624,652	-	261,479
Teaching - special schools	22,500	22,500	18,992	-	3,508
Occupational education	731,001	731,001	693,038	225	37,738
Instructional media	686,648	686,648	697,126	-	(10,478)
Pupil services	1,110,333	1,110,333	971,220	193	138,920
Pupil Transportation	1,482,352	1,486,422	1,092,289	454,528	(60,395)
Employee Benefits	4,211,078	4,211,078	3,653,260	-	557,818
Debt Service:					
Debt service principal	957,997	957,997	957,997	-	-
Debt service interest	293,537	293,537	441,461	-	(147,924)
Total expenditures	<u>22,191,325</u>	<u>22,329,279</u>	<u>21,156,632</u>	<u>454,946</u>	<u>717,701</u>
Other Uses:					
Transfer to other funds	160,000	160,000	94,649	-	65,351
Total other uses	<u>160,000</u>	<u>160,000</u>	<u>94,649</u>	<u>-</u>	<u>65,351</u>
Total expenditures and other uses	<u>\$ 22,351,325</u>	<u>\$ 22,489,279</u>	<u>21,251,281</u>	<u>\$ 454,946</u>	<u>\$ 783,052</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses			<u>\$ (539,858)</u>		

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS1A

Page 40

	School Food Service Fund		
	Budget (Amended) *	Actual	Variance Fav. (Unf.)
Revenue			
State sources	\$ -	\$ 54,549	\$ 54,549
Federal sources	-	505,963	505,963
Sales	-	25,727	25,727
Miscellaneous	-	30,638	30,638
Surplus food	-	23,098	23,098
Use of money and property	-	5	5
Total revenue	-	639,980	639,980
Expenditures			
General support	-	208,870	(208,870)
Employee benefits	-	130,110	(130,110)
Cost of sales	-	316,500	(316,500)
Other expenses	-	57,179	(57,179)
Total expenditures	-	712,659	(712,659)
Deficiency of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>(72,679)</u>	<u>\$ (72,679)</u>
Fund equity, beginning of year		<u>35,014</u>	
Fund equity (deficit), end of year		<u>\$ (37,665)</u>	

* The District did not prepare a budget for its food service fund for the year ended June 30, 2024.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS2

Page 41

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 22,351,325
Additions:	
Prior year encumbrances	<u>27,954</u>
Original Budget	22,379,279
Budget Revisions:	
Supplemental appropriation - truck, plow and field groomer purchases	<u>110,000</u>
Final budget	<u><u>\$ 22,489,279</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-25 voter-approved expenditure budget	\$ 22,816,498
Maximum allowed (4% of 2024-25 budget)	\$ 912,660

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:	
Assigned fund balance	\$ 2,531,220
Unassigned fund balance	<u>1,713,779</u>
Total unrestricted fund balance	<u>4,244,999</u>
Less:	
Appropriated fund balance	2,076,274
Encumbrances included in committed and assigned fund balance	<u>454,946</u>
Total adjustments	<u>2,531,220</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,713,779</u></u>
Actual percentage	<u><u>7.5%</u></u>

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

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECTS EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS3

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Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended) Balance	Proceeds of Obligations	State Sources	Local Sources	Total	Balance June 30, 2024
2024 Capital Outlay	\$ 100,000	\$ 100,000	\$ -	\$ 94,649	\$ 94,649	\$ 5,351	\$ -	\$ -	\$ 94,649	\$ 94,649	\$ -
2021 Capital Improvement Project	15,375,600	15,375,600	2,394,257	4,277,048	6,671,305	8,704,295	12,391,306	-	2,984,296	15,375,602	8,704,297
Smart Schools Bond Act Project	533,951	533,951	531,591	-	531,591	2,360	-	531,591	-	531,591	-
	<u>\$ 16,009,551</u>	<u>\$ 16,009,551</u>	<u>\$ 2,925,848</u>	<u>\$ 4,371,697</u>	<u>\$ 7,297,545</u>	<u>\$ 8,712,006</u>	<u>\$ 12,391,306</u>	<u>\$ 531,591</u>	<u>\$ 3,078,945</u>	<u>\$ 16,001,842</u>	<u>\$ 8,704,297</u>
							Less: bond anticipation notes outstanding				<u>(12,391,306)</u>
							Ending fund equity (deficit) balance as of June 30, 2024				<u><u>\$ (3,687,009)</u></u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
BUDGET COMPARISON STATEMENT FOR STATE AND
OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS4A

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Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
Summer school	N/A	2024	\$ 46,457	\$ 46,457	\$ 46,457
Teachers of Tomorrow grant	0644-24-0002	2024	34,000	32,068	32,068
Universal Pre-kindergarten	0409-24-7053	2024	214,599	214,599	214,599
Health Care Bonus Program	N/A	2024	1,615	1,615	1,615
State Breakfast and Lunch Program	N/A	2024	54,129	54,129	54,129
Summer Food Program	N/A	2024	420	420	420
			<u>\$ 351,220</u>	<u>\$ 349,288</u>	<u>\$ 349,288</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS4B

Note 1 - Basis of Presentation

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

Basis of Accounting

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

Note 2 - Non-monetary Federal Program

The accompanying **Bolivar-Richburg Central School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2024, the District reported in the Schedule of Federal Awards \$23,098 of donated commodities at fair market value received and disbursed.

Note 3 - Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule SS4C

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Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
U.S. Department of Education:					
Passed through NYS Department of Education:					
Title I, Part A	84.010A	0021-24-0140	\$ 264,204	\$ 262,250	\$ 262,250
Title IIA	84.367A	0147-24-0140	24,860	24,860	24,860
Title IV - SSAE Allocation	84.424A	0204-24-0140	22,821	22,821	22,821
Title V - Part B - Rural and Low Income Schools	84.358B	0006-24-0140	17,074	17,074	17,074
COVID-19 ARP ESSER 3	84.425U	5880-21-0140	1,633,357	928,686	928,686
COVID-19 ARP SLR Summer Enrichment	84.425U	5882-21-0140	243,945	11,885	11,885
COVID-19 ARP SLR Comprehensive Learning	84.425U	5883-21-0140	243,945	67,684	67,684
COVID-19 ARP SLR Learning Loss	84.425U	5884-21-0140	1,219,692	414,538	414,538
IDEA Part B, Section 611 *	84.027A	0032-24-0039	211,488	211,488	211,488
IDEA Part B, Section 619 *	84.173A	0033-24-0039	5,338	5,338	5,338
Total U.S. Department of Education				1,966,624	1,966,624
U.S. Department of Agriculture:					
Passed through NYS Department of Education:					
COVID-19 Supply Chain Assistance Program **	10.555	N/A	N/A	23,244	23,244
National School Breakfast Program **	10.553	N/A	N/A	116,406	116,406
National School Lunch Program **	10.555	N/A	N/A	335,594	335,594
National Summer Food Program **	10.559	N/A	N/A	13,718	13,718
Passed through NYS Office of General Services:					
National School Lunch Program **					
Non-Cash Assistance (Commodities)	10.555	N/A	N/A	23,098	23,098
Passed through NYS Department of Agriculture:					
Child Nutrition Discretionary Grants - Equipment Assistance Grants	10.579	N/A	N/A	17,001	17,001
Total U.S. Department of Agriculture				529,061	529,061
Total expenditures and revenue				\$ 2,495,685	\$ 2,495,685

* Constitutes a cluster of Federal programs named Special Education Cluster with revenue and expenditures of \$ 216,826
** Constitutes a cluster of Federal programs named Child Nutrition Cluster with revenue and expenditures of \$ 512,060

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL
AND RIGHT-TO-USE ASSETS
AS OF JUNE 30, 2024

Schedule SS5

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Capital and Right-to-Use Assets, net	\$ 32,810,206
Less:	
Serial bonds	(4,700,720)
Installment purchase debt	(1,132,328)
Bond anticipation notes	(12,391,306)
Plus:	
Assets in capital project less related liabilities	<u>8,704,297</u>
Net investment in capital and right-to-use assets	<u>\$ 23,290,149</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S NET
OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2024

Schedule SS6

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As of the measurement date of July 1,	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability								
Service cost	\$ 14,439	\$ 15,432	\$ 14,247	\$ 11,865	\$ 11,366	\$ 10,689	\$ 12,441	\$ 9,969
Interest	17,692	7,932	9,902	10,718	12,467	12,216	11,982	15,826
Differences between expected and actual experience	10,110	113,254	(13,801)	32,563	(17,661)	11,949	(21,696)	-
Changes in assumptions	19,398	(24,312)	10,248	35,885	7,799	(13,430)	(15,248)	26,111
Benefit payments	(47,444)	(34,744)	(28,940)	(24,065)	(38,283)	(47,832)	(58,036)	(53,244)
Net change in total OPEB liability	14,195	77,562	(8,344)	66,966	(24,312)	(26,408)	(70,557)	(1,338)
Total OPEB liability - beginning	441,614	364,052	372,396	305,430	329,742	356,150	426,707	25,024
Prior period adjustment	-	-	-	-	-	-	-	403,021
Total OPEB liability - ending	\$ 455,809	\$ 441,614	\$ 364,052	\$ 372,396	\$ 305,430	\$ 329,742	\$ 356,150	\$ 426,707
Plan fiduciary net position								
Contributions - employer	\$ 47,444	\$ 34,744	\$ 28,940	\$ 24,065	\$ 38,283	\$ 47,832	\$ 58,036	\$ 53,244
Benefit payments	(47,444)	(34,744)	(28,940)	(24,065)	(38,283)	(47,832)	(58,036)	(53,244)
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's net OPEB liability	\$ 455,809	\$ 441,614	\$ 364,052	\$ 372,396	\$ 305,430	\$ 329,742	\$ 356,150	\$ 426,707
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 7,942,821	\$ 7,749,094	\$ 7,882,451	\$ 7,690,196	\$ 7,147,735	\$ 6,973,400	\$ 7,195,130	\$ 7,102,794
District's net OPEB liability as a percentage of covered-employee payroll	5.74%	5.70%	4.62%	4.84%	4.27%	4.73%	4.95%	6.01%

Notes to Schedule:

Benefit Changes: None

Changes in assumptions: Discount rate from 4.09% as of 7/1/22 to 4.13% as of 7/1/23

Health care trend rates from 7.50% to 4.50% as of 7/1/22 to 8.0% to 4.5% as of 7/1/23

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2024

Schedule SS7

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For the year ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	\$ 47,444	\$ 34,744	\$ 28,940	\$ 24,065	\$ 38,283	\$ 47,832	\$ 58,036	\$ 53,244
Contributions in relation to the actuarially determined contribution	(47,444)	(34,744)	(28,940)	(24,065)	(38,283)	(47,832)	(58,036)	(53,244)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 7,942,821	\$ 7,749,094	\$ 7,882,451	\$ 7,690,196	\$ 7,147,735	\$ 6,973,400	\$ 7,195,130	\$ 7,102,794
Contributions as a percentage of District's covered-employee payroll	0.60%	0.45%	0.37%	0.31%	0.54%	0.69%	0.81%	0.75%

Notes to Schedule:

Valuation date: 7/1/2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level % of Salary Method
Discount Rate	4.13% as of July 1, 2023
Inflation	2.50% per year
Health care cost trend rates	Health care trend rates have been reset to an initial rate of 8.0% decreasing by 0.50% annually to an ultimate rate of 4.50%.
Salary increases	The salary scale for Teachers and Administrators is based on the NYSTRS valuation as of June 30, 2021. Payroll growth for Support Staff employees is based on the NYERS valuation as of March 31, 2022.
Mortality	SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2021
Retiree Cost Sharing	Retirees are required to contribute the portion of premiums not covered by the District's explicit subsidy.
Participants	126 Active and 23 Retirees

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2024

Schedule SS8

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New York State Teachers' Retirement System

For the year ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 611,702	\$ 641,274	\$ 603,849	\$ 569,377	\$ 521,777	\$ 611,676	\$ 536,673	\$ 651,423	\$ 700,697	\$ 919,367
Contributions in relation to the contractually required contribution	(611,702)	(641,274)	(603,849)	(569,377)	(521,777)	(611,676)	(536,673)	(651,423)	(700,697)	(919,367)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 6,267,439	\$ 6,232,012	\$ 6,161,724	\$ 5,974,575	\$ 5,889,131	\$ 5,759,661	\$ 5,476,255	\$ 5,558,217	\$ 5,284,291	\$ 5,244,535
Contributions as a percentage of District's covered-employee payroll	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

New York State Local Employees' Retirement System

For the year ended March 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 296,768	\$ 249,656	\$ 332,651	\$ 277,711	\$ 275,028	\$ 278,019	\$ 286,102	\$ 275,993	\$ 311,838	\$ 327,156
Contributions in relation to the contractually required contribution	(296,768)	(249,656)	(332,651)	(277,711)	(275,028)	(278,019)	(286,102)	(275,993)	(311,838)	(327,156)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,401,568	\$ 2,282,865	\$ 2,063,065	\$ 2,005,927	\$ 1,999,469	\$ 2,011,708	\$ 1,956,830	\$ 1,907,366	\$ 1,801,098	\$ 1,765,763
Contributions as a percentage of District's covered-employee payroll	12.36%	10.94%	16.12%	13.84%	13.76%	13.82%	14.62%	14.47%	17.31%	18.53%

See accompanying independent auditor's report.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
ASSET/LIABILITY – NYSTRS AND DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY - NYSLERS
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2024

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

As of the measurement date of June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	n/a	0.033743%	0.034782%	0.034184%	0.034218%	0.034506%	0.033620%	0.034862%	0.034245%	0.034914%
District's proportionate share of the net pension asset (liability)	n/a	\$ (385,878)	\$ (667,429)	\$ 5,923,749	\$ (945,531)	\$ 896,475	\$ 607,931	\$ 264,989	\$ (366,774)	\$ 3,626,436
District's covered-employee payroll	n/a	\$ 6,232,012	\$ 6,161,724	\$ 5,974,575	\$ 5,889,131	\$ 5,759,661	\$ 5,476,255	\$ 5,558,217	\$ 5,284,291	\$ 5,244,535
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	n/a	-6.19%	-10.83%	99.15%	-16.06%	15.56%	11.10%	4.77%	-6.94%	-69.15%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

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

As of the measurement date of March 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension asset (liability)	0.0066544%	0.0072238%	0.0071482%	0.0060291%	0.0065449%	0.0065369%	0.0063104%	0.0063389%	0.0068004%	0.0063293%
District's proportionate share of the net pension asset (liability)	\$ (979,790)	\$ (1,549,076)	\$ 584,340	\$ (6,003)	\$ (1,733,133)	\$ (463,158)	\$ (203,665)	\$ (595,616)	\$ (1,092,123)	\$ (213,822)
District's covered-employee payroll	\$ 2,401,568	\$ 2,282,865	\$ 2,063,065	\$ 2,005,927	\$ 1,999,469	\$ 2,011,708	\$ 1,956,830	\$ 1,907,366	\$ 1,801,098	\$ 1,765,763
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	-40.80%	-67.86%	28.32%	-0.30%	-86.68%	-23.02%	-10.41%	-31.23%	-60.64%	-12.11%
Plan fiduciary net position as a percentage of the total pension asset (liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%



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

**To the President and
Members of the Board of Education
Bolivar-Richburg Central School District
Bolivar, New York**

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Bolivar-Richburg Central School District* as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise *Bolivar-Richburg Central School District's* basic financial statements and have issued our report thereon dated December 6, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. There can be no assurance that deficiencies, significant deficiencies and material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified two deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the District's internal control described in the accompanying schedule of findings and questioned costs as items II.A.2024-001 and II.A.2024-002 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Bolivar-Richburg Central School's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2024-003.

Bolivar-Richburg Central School District's Responses to Findings

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

Purpose of this Report

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 6, 2024**



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

**To the President and
Members of the Board of Education
Bolivar-Richburg Central School District
Bolivar, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited *Bolivar-Richburg Central School District's* 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, 2024. *Bolivar-Richburg Central School District's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, *Bolivar-Richburg Central School 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 major federal program for the year ended June 30, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of *Bolivar-Richburg Central School 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 *Bolivar-Richburg Central School 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 *Bolivar-Richburg Central School District's* federal programs.

Auditor's 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 *Bolivar-Richburg Central School 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 generally accepted auditing standards, *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 *Bolivar-Richburg Central School District* with the requirements of each major federal program as a whole.

Auditor's Responsibilities for the Audit of Compliance (continued)

In performing an audit in accordance with generally accepted auditing standards, *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 **Bolivar-Richburg Central School 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 **Bolivar-Richburg Central School 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 **Bolivar-Richburg Central School 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify two deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items III.B.2024-004 and III.B.2024-005 to be material weaknesses.

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 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.

Bolivar-Richburg Central School District's Responses to Findings

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

Purpose of this Report

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.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 6, 2024**

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued or whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> x </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported

Noncompliance material to financial statements noted?	<u> x </u> yes	<u> </u> no
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> x </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> x </u> none reported

Type of auditor's opinion 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)	<u> </u> yes	<u> x </u> no
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<u>Federal Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Total expenditures of Federal Awards		<u>\$ 2,495,685</u>

Identification of Major Programs Tested:

COVID-19 ARP ESSER 3	84.425U	\$ 928,686
COVID-19 ARP SLR Summer Enrichment	84.425U	11,885
COVID-19 ARP SLR Comprehensive Learning	84.425U	67,684
COVID-19 ARP SLR Learning Loss	84.425U	<u>414,538</u>

Total major programs tested	<u>\$ 1,422,793</u>
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% of Federal programs tested	<u>57%</u>
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Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
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Auditee qualified as low risk?	<u> x </u> yes	<u> </u> no
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II. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2024-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2024

Condition and Criteria: During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to adjusting asset and liabilities accounts to supporting documentation and converting to the full accrual method for GASB 34 purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and approved by the District.

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

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

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

2024-002 Bank Reconciliations, Interfund Balances Reconciliations and Balance Sheet Account Reconciliations

Year ended June 30, 2024

Condition and Criteria: During the current year, bank reconciliations were not prepared on a regular basis and when prepared did not reconcile to the District's general ledger. In addition, the District carries interfund receivable and payable balances, however, amounts did not reconcile throughout the year. Differences that existed in cash and interfund balances had to be corrected after year-end. Lastly, we noted that the District does not perform reconciliations of assets and liability accounts during the year on regular or routine basis, including receivables, payables and withholding accounts.

Cause and Effect: The effect of not reconciling bank balances against the District's general ledger balance and reconciling interfund balances is that reporting errors in posting cash receipts and cash disbursements can occur and not be detected or resolved in a timely manner. Without regular and routine reconciliation of asset and liability accounts balances (including cash and due to/due from accounts), a significant misstatement in the general ledger of the District would go undetected for extended periods of time and could result in inaccurate or incomplete information which is ultimately utilized by management and the Board of Education in its decision making process throughout the year, including the establishments of annual budgets. Within the current audit, the lack of reconciliations resulted in significant audit adjustments.

Auditors' Recommendation: We recommend that the District prepare bank reconciliations soon after the end of each month. As part of the reconciliation process the District's general ledger cash balances should be compared against the bank reconciliation, with any differences being immediately investigated. Once complete, the bank reconciliation should be reviewed by someone independent of the preparer. In addition, a worksheet should be developed which reconciles interfund balances on a monthly basis. Any differences in the reconciliation process should be immediately investigated. We recommend that asset and liability accounts be reconciled on a regular and routine basis. Further, reconciliations should be reviewed by management to ensure their accurate and timely completion.

District's Response: The District will ensure that bank reconciliations are prepared in a timely manner and verify that balances within the general ledger cash accounts agree to the bank reconciliation, along with ensuring that interfund balances reconcile and that balance sheet asset and liabilities are reconciled to supporting documentation.

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

II. FINANCIAL STATEMENTS AUDIT - FINDINGS

B. COMPLIANCE AND OTHER MATTERS

2024-003 Unassigned Fund Balance

Year ended June 30, 2024

Conditions and criteria: **Bolivar-Richburg Central School District's** unassigned fund balance in the general fund as of June 30, 2024 amounted to \$1,713,779. This amount constitutes 7.5% of the 2024-2025 school budget.

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

Auditor's Recommendation: **Bolivar-Richburg Central School District** should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance.

School District's Response: The District Administration, School Business Administrator and Superintendent of Schools, and Board of Education, has and will continue to closely monitor fund equity in the future and will review all options with regard to reservation and designation of fund balance. Due to past uncertainty related to State Aid, the District Administration and Board of Education determined it would be prudent to maintain unappropriated fund balance in excess of the recommended levels.

The District will continue to manage future fund balance in accordance with recommendations. In addition, the District Administration has reviewed each of its reserves and documented the rationale for their levels. The Business Administrator and Superintendent works in collaboration with the Board of Education in order to develop this Reserve Plan, which was last updated by the Board and Administration and adopted in February 2021. This plan is to be updated and adopted annually by March 1.

III. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

A. COMPLIANCE

Year ended June 30, 2024

There are no findings related to compliance being reported upon during the fiscal year June 30, 2024.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2024

2024-004 Adjusting Journal Entries, Required Disclosures and Draft Financial Statements

Similar finding to that identified as 2024-001 above.

2024-005 Bank Reconciliations, Interfund Balances Reconciliations and other Balance Sheet Accounts

Similar finding to that identified as 2024-002 above.

I. FINANCIAL STATEMENTS AUDIT - FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

2023-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements

Year ended June 30, 2023

Summary of Prior Year Finding: Adjusting journal entries, along with footnote disclosures. During the year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District. AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

Current Status: Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2024 as finding 2024-001.

B. COMPLIANCE AND OTHER MATTERS

2023-002 Unassigned Fund Balance

Year ended June 30, 2023

Summary of Prior Year Finding: *Bolivar-Richburg Central School District's* unassigned fund balance as of June 30, 2023 amounted to \$3,153,983. This amount constituted approximately 14.1% of the 2023-2024 school budget. The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

Current Status: Similar finding related to compliance and other matters is being reported upon during the year ended June 30, 2024 as finding 2024-002.

II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS

A. COMPLIANCE

Year ended June 30, 2023

There were no findings related to compliance reported upon during the fiscal year June 30, 2023.

B. INTERNAL CONTROL OVER COMPLIANCE

Year ended June 30, 2023

There were no findings related to internal control over compliance during the fiscal year June 30, 2023.



**To the President and Members of the
Board of Education
and School Administration
Bolivar-Richburg Central School District
Bolivar, New York**

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2024 of the District's financial statements and have issued our reports thereon dated December 6, 2024. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate report on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards*.

In planning and performing our audit of the financial statements of the *Bolivar-Richburg Central School District* for the year ended June 30, 2024, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter is a schedule of revenue and expense comparisons (modified accrual basis) and analysis of fund equity for the school years ended June 30, 2020 through June 30, 2024. In addition, we have also presented a summary of additional comments which we desire to bring to the board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business staff. *Bolivar-Richburg Central School* has provided responses to the additional comments, however, we did not audit these responses and, accordingly, we express no opinion on them.

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

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

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 6, 2024**

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
REVENUE AND EXPENDITURES COMPARISON AND ANALYSIS OF FUND
EQUITY - GENERAL FUND (AMOUNTS IN \$1,000)

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Revenue and other sources					
Property taxes	\$ 2,726	\$ 2,721	\$ 2,720	\$ 2,720	\$ 2,720
State aid	16,712	16,074	15,464	15,511	16,363
All other	1,273	810	485	793	714
	<u>20,711</u>	<u>19,605</u>	<u>18,669</u>	<u>19,024</u>	<u>19,797</u>
Expenditures and other uses					
General support	4,325	3,184	2,864	2,886	2,762
Instruction	10,687	9,776	9,342	9,366	9,601
Transportation	1,092	998	876	784	768
Benefits	3,653	3,081	3,086	3,195	3,045
Debt	1,399	1,248	1,252	1,752	1,889
Transfers	95	787	3,431	526	437
	<u>21,251</u>	<u>19,074</u>	<u>20,851</u>	<u>18,509</u>	<u>18,502</u>
Excess (deficiency) of revenue over expenditures	(540)	531	(2,182)	515	1,295
Fund equity					
Beginning of year	<u>11,464</u>	<u>10,933</u>	<u>13,115</u>	<u>12,600</u>	<u>11,305</u>
End of year	<u>\$ 10,924</u>	<u>\$ 11,464</u>	<u>\$ 10,933</u>	<u>\$ 13,115</u>	<u>\$ 12,600</u>
Analysis of fund equity					
Restricted					
Reserve for repairs	\$ 68	\$ 67	\$ 67	\$ 67	\$ 67
Employee benefit reserve	804	804	804	804	804
Reserve for capital	2,743	3,302	3,682	6,095	5,393
Reserve for retirement system	628	628	628	628	628
Reserve for TRS	435	435	435	335	225
Reserve for property loss and liability	515	506	501	501	501
Reserve for insurance	1,275	1,275	1,275	1,275	1,275
Reserve for unemployment insurance	211	210	210	210	210
Assigned					
Reserve for encumbrances	455	28	33	40	175
Next year's budget	2,076	1,055	866	600	600
Unassigned	<u>1,714</u>	<u>3,154</u>	<u>2,432</u>	<u>2,560</u>	<u>2,722</u>
	<u>\$ 10,924</u>	<u>\$ 11,464</u>	<u>\$ 10,933</u>	<u>\$ 13,115</u>	<u>\$ 12,600</u>

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SUMMARY OF ADDITIONAL COMMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Future Governmental Accounting Standards – GASB 101 – Compensated Absences

Governmental Accounting Standards Board has issued Statement No. 101, Compensated Absences which will be effective for the fiscal year ending June 30, 2025. The standard provides guidance on how the District will account for and disclose obligations related to compensated absences, including vacation leave, sick leave, and other similar benefits. We recommend that the District begin to familiarize themselves with the new compensated absences standard, which may include continuing education, webinars and further training.

District response: The District will familiarize itself with the new accounting standards and the impact they may have on future financial statements by participating in trainings or webinars on the topics when they become available.

Grant Funding

Wind down of Pandemic grant funding

As the District winds down is Pandemic grant programs, it should develop plans to ensure that funds are fully expended and processes are in place to ensure that final reports are submitted timely. Because these grants were mostly one-time allocations, the District should also begin to determine the impact of not having funding will have on future operations.

District response: The Administrative team has reviewed and will continue to monitor the spending of Pandemic grant programs throughout the remainder of the grant period to ensure the funds are fully expended as intended. The Business Administrator will continue to work closely with the grant coordinator through BOCES to ensure timely filing of necessary paperwork. The District has been able to utilize the influx of funds strategically and the Administration will be able to continue operations as is when those funds are discontinued.

Grant Monitoring

During the audit we noted that certain expenditures reported on the final expenditure claim reports did not align with costs reported in the special aid fund where grants are tracked. Although the District had supporting documentation for expenditures claimed on the final reports, they were not classified to the appropriate account codes or period within the District's general ledger. It is critical that the District monitor its spending within the guidelines and budget of the respective grants. Having expenditures properly classified will enhance the District's monitoring of expenditures with that budgeted. When appropriate budget amendments should be submitted to the grantor in a timely manner.

District response: The District will review its processes for tracking future grants.

Food Service Program

Operating Losses

During the fiscal year ended June 30, 2024 and 2023, the District's Food Service Fund has net losses from operations of approximately \$73,000 and \$120,000, respectively. The District should continue to evaluate this deficit and develop an approach to alleviate this deficit in the future. The District may consider transferring additional funds from the General Fund to the Food Service Fund in future years.

District response: The Administrative team will monitor the purchasing of food and supplies during the year to try to detect any inefficiencies. There will only be one Cook Manager during the year. The General Fund will also budget for additional funds to support the Café fund.

Submission for Federal and State Reimbursements

During the audit, we noted certain discrepancies between meals served eligible for reimbursement and the amounts claimed for reimbursement. We recommend that the District implement a process whereby an individual independent of the preparer review the claims for reimbursements with reports that track meals served.

District response: The District will follow the recommendation in the finding and have an individual review claim forms prior to their submission.

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
SUMMARY OF ADDITIONAL COMMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Cash Accounts and Interest Earnings

During the current year, the District maintains a consolidated savings account which includes cash held in the general, debt service and capital projects fund. During the current year, interest earned on the savings account was reported as revenue in the general fund. The District should develop a worksheet that tracks interest earned on these cash accounts individually, along with the cash balances associated with reserve accounts held in the general fund. Amounts should be allocated to reflect the interest earned in each fund and reserve account. In addition, the District should consider opening a separate bank account that is specifically related to the capital project fund. Doing so, will separate bond and bond anticipation note proceeds, interest earned and payments related to the capital project.

District response: The District will develop a schedule to allocate interest to reserves in future years and will consider opening a new capital project cash account.

General Fund Budget

The District's 2023-24 budget propositions to its voters included the annual budget, along with separate propositions for the purchase of land (\$65,000), the purchase of three buses (\$458,036) from the transportation reserve and the purchase of a pickup truck and groomer (\$110,000) from the equipment reserve which are each voted upon separately for approval. We noted that the propositions for the bus purchases and land purchase were also included as a line items (\$460,000 buses and \$65,000 land) in the District's annual budget. Separate propositions should not be included in the annual budget, as they are voted upon individually.

District response: Separate propositions were not included in the 2024-25 annual budget and the District will ensure this situation does not occur in future years.

Scholarship Funds

The District maintains an expendable and non-expendable private purpose trust fund. Investment earnings in the non-expendable trust fund are utilized to pay scholarships that are paid for in the expendable trust fund. In the current year the investment earnings were not transferred to the expendable trust fund resulting in a due to/due from liability/asset being recorded at the time of the audit. We recommend that the District transfer funds and clear the interfund balances.

District response: The District will transfer funds and eliminate the intercompany balances.

Interfund Receivable and Payable

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

District's response: The District will closely monitor these interfund loan balances and will regularly pay down these loans.

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT

**EXTRACLASROOM ACTIVITY FUND
FINANCIAL STATEMENT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS**

**BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND**

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INDEPENDENT AUDITOR'S REPORT

**To the President and
Members of the Board of Education
Bolivar-Richburg Central School District
Bolivar, New York**

Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the *Bolivar-Richburg Central School District* for the year ended June 30, 2024, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of *Bolivar-Richburg Central School District* for the year ended June 30, 2024 on the basis of accounting described in Note 1.

Basis for Opinion

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

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2024, on our consideration of the ***Bolivar-Richburg Central School District's*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ***Bolivar-Richburg Central School District's*** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ***Bolivar-Richburg Central School District's*** internal control over financial reporting and compliance.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 6, 2024**

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
JULY 1, 2023 THROUGH JUNE 30, 2024

	Balances July 01, 2023	Total Receipts	Total Receipts & Balances	Total Payments	Balances June 30, 2024
Extracurricular activities:					
Business/Marketing Club	\$ 1,696	\$ -	\$ 1,696	\$ -	\$ 1,696
Class of 2023	6,690	200	6,890	-	6,890
Class of 2024	10,400	36,703	47,103	45,253	1,850
Class of 2025	6,545	9,905	16,450	6,920	9,530
Class of 2026	1,921	5,726	7,647	2,871	4,776
Class of 2027	-	3,323	3,323	1,948	1,375
Clothing Store	548	-	548	-	548
Ecology Club	566	-	566	-	566
FCCLA	2,028	-	2,028	-	2,028
FFA	(251)	-	(251)	200	(451)
Junior NHS	15	-	15	-	15
International Travel Club	3,995	-	3,995	2,907	1,088
Language Club	182	-	182	-	182
Library Club	1,311	2,054	3,365	2,464	901
National Honor Society	625	-	625	-	625
Rachel's Challenge	501	341	842	170	672
SADD	1,748	670	2,418	-	2,418
Sales Tax	261	2,247	2,508	-	2,508
Science Club	6,872	-	6,872	390	6,482
Sentinel	339	-	339	-	339
Ski Club	1	-	1	-	1
Student Council	15,915	2,513	18,428	6,968	11,460
Musical Club	3,411	5,628	9,039	-	9,039
Theatre Club	3,608	-	3,608	-	3,608
Yearbook Club	18,690	3,479	22,169	5,468	16,701
Total activity fund	\$ 87,617	\$ 72,789	\$ 160,406	\$ 75,559	\$ 84,847

BOLIVAR-RICHBURG CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTE TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

Page 4

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Fund are included in the financial statements of the School District. However, cash balances of \$84,847 are included in the Miscellaneous Special Revenue Fund as restricted cash, with a corresponding amount recorded as a committed fund balance.

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



BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Certified Public Accountants ▲ Business Advisors

**To the President and Members of the
Board of Education
and School Administration
Bolivar-Richburg Central School District
Bolivar, New York**

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of *Bolivar-Richburg Central School District* as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered *Bolivar-Richburg Central School District's* internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of *Bolivar-Richburg Central School District's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Bolivar-Richburg Central School District's* internal control.

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

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. We consider the following deficiency in internal control to be material weaknesses:

Point of Sale Records

We noted several instances where the receipt of cash lacked point of sale records. Each cash receipt received by the central treasurer should be accompanied by supporting documentation which reconciles cash received to participation times rates/fees. We recommend that point of sale records be filled out in detail or an appropriate summary be attached by the student treasurer or teacher advisor, and be verified or reviewed by the central treasurer.

District's response: The District's Central Treasurer will ensure detailed supporting documentation is received with each cash receipt.

Internal Profit Margin Analysis

During our testing of cash receipts, we reviewed documentation to determine whether or not internal profit margin analyses are being performed on fundraisers. Margin analysis is an excellent tool for analyzing the profitability of a fundraiser, and also identifying any potential errors in record keeping or potential fraud. None of the receipts selected for testing had evidence that an internal profit margin analysis was performed. We recommend that the Central Treasurer monitor the completion of such analysis and follow-up with activities that are not turning over forms for review.

District response: The District's Central Treasurer will suggest internal profit margin analyses be performed on fundraisers by student treasurer or teacher advisor.

Supporting Documentation for Receipts and Disbursements

During our testing of cash receipts and cash disbursements, the District was unable to provide supporting documentation to substantiate certain purchases and receipts made in the student activity fund. Not having the necessary detail to support cash disbursements and cash receipts could lead to errors, misstatements or potential fraud. We recommend that the District ensure all supporting documentation be maintained on file and reviewed periodically by District personnel to ensure its existence.

District's response: The District's Central Treasurer will ensure that supporting documentation is received with each cash disbursement.

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

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Olean, New York
December 6, 2024**



December 6, 2024

To the Audit Committee
and Board of Education
Bolivar-Richburg Central School
Bolivar, New York

We have audited the financial statements of Bolivar-Richburg Central School as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Governmental Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bolivar-Richburg Central School are described in Note 1 to the financial statements. The District did not implement any new accounting standards in the current year. We noted no transactions entered into by Bolivar-Richburg Central School during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

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

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

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures on long-term debt in Note 3V and COVID-19 Pandemic in Note 6 to the financial statements, due to their significance.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York

December 6, 2024

APPENDIX C

FORM OF DISCLOSURE UNDERTAKING

DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Bolivar-Richburg Central School District, Allegany County, New York (the “Issuer”) in connection with the issuance of its \$12,286,306 Bond Anticipation Note(s), 2025 or interests therein (such Note(s), including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

Section 2. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

