

PRELIMINARY OFFICIAL STATEMENT DATED MAY 21, 2026

SERIAL BONDS

MOODY'S RATING: "Aa3"

In the opinion of Hodgson Russ LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, under existing statutes, interest on the Bonds is exempt from personal income taxes of New York State and its political subdivisions, including the City of New York. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Bonds. (See "TAX MATTERS" herein.)

The Bonds will be deemed designated and will be treated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

BEMUS POINT CENTRAL SCHOOL DISTRICT CHAUTAUQUA COUNTY, NEW YORK (the "District")

\$2,030,000

SCHOOL DISTRICT SERIAL BONDS, 2026 (the "Bonds") (Designated/Bank Qualified)

Dated: June 16, 2026

**Principal Due: December 15, 2026 / 2040, inclusive
Interest Due: December 15, 2026, and semi-annually
thereafter on June 15 and December 15 in each
year until maturity (or earlier redemption)**

BOND MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2026	\$175,000				2034	\$140,000			
2027	135,000				2035	140,000			
2028	110,000				2036	150,000			
2029	120,000				2037	155,000			
2030	115,000				2038	160,000			
2031	125,000				2039	170,000			
2032	130,000				2040	70,000			
2033	135,000								

*The aggregate principal amount of the Bonds and the principal maturities thereof are subject to adjustment, following their sale, to achieve substantially level or declining annual debt service.

Prior Redemption: The Bonds maturing on or before December 15, 2033 will not be subject to redemption prior to maturity. The Bonds maturing on or after December 15, 2034 will be subject to redemption prior to maturity, at the option of the District, on December 15, 2033 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected at random within a maturity), at par (100%) plus accrued interest to the date of redemption.

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

To the extent that the Bonds are issued through DTC, the Bonds will be registered in the name of Cede & Co., as nominee of DTC, which will act as Securities Depository for the Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Initial purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. Payments of principal of and interest on the Bonds will be made by the

District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds. See “THE BONDS - Book-Entry-Only System,” herein.

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

The Bonds bear interest from June 16, 2026, with interest thereon payable on December 15, 2026 and semi-annually thereafter on June 15 and December 15 in each year until maturity (or earlier redemption). The Bonds mature on December 15 in each year commencing December 15, 2026.

The record date for the Bonds is the last business day of the calendar month preceding each interest payment date.

Proposals shall be for not less than \$2,030,000 and accrued interest, if any, on the total principal amount of the Bonds. See the accompanying Notice of Private Competitive Bond Sale.

Electronic bids for the Bonds may be submitted via facsimile or iPreo’s Parity Electronic Bid Submission System (“PARITY”) on June 2, 2026 until 11:30 a.m. (Prevailing Time). Such bids shall be delivered and accepted in accordance with the terms stated in the Notice of Private Competitive Bond Sale which accompanies this Official Statement. No bids will be accepted after the time for receiving bids as detailed above.

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the legal opinion as to the validity of the Bonds of Hodgson Russ LLP of Buffalo, New York, Bond Counsel, and certain other conditions. It is anticipated that the Bonds will be available for delivery in Jersey City, New Jersey (through the facilities of DTC) or at such other place as may be agreed with the purchaser on or about June 16, 2026.

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

**BEMUS POINT CENTRAL SCHOOL DISTRICT
CHAUTAUQUA COUNTY, NEW YORK**

3980 Dutch Hollow Road
P.O. Box 468
Bemus Point, New York 14712
Telephone: 716-386-2375
Fax: 716-386-2376
www.bemusptcsd.org
hgriffith@bemusptcsd.org

**BOARD OF EDUCATION
(2025-2026)**

Lauren B. Ryan, President
Dr. Margaret L. Spence, Vice President

Kathleen Collver
Elizabeth Healy
Vincent Horrigan
Shawn Hricko
Eric Martin

* * *

Dr. Joshua Liddell, Superintendent of Schools
Holly L. Griffith, Business Executive/Clerk/Treasurer
Jeffery Swiatek, School District Attorney

* * *

BOND COUNSEL

Hodgson Russ LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, New York 14202

* * *

MUNICIPAL ADVISOR

Municipal Solutions, Inc.
Municipal Financial Advisory Service

62 Main Street
LeRoy, New York 14482
Phone: 585-768-2136
Fax: 585-394-4092

2528 State Route 21
Canandaigua, New York 14424
Phone: 585-394-4090
Fax: 585-394-4092

Website: <http://www.municipalsolution.com>

No dealer, broker, salesman or other 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 other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. 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 since the date hereof.

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OFFICIAL STATEMENT

BEMUS POINT CENTRAL SCHOOL DISTRICT CHAUTAUQUA COUNTY, NEW YORK (the "District")

\$2,030,000

SCHOOL DISTRICT SERIAL BONDS, 2026 (the "Bonds") (Designated/Bank Qualified)

This Official Statement, including the cover page and appendices hereto (the "Official Statement"), presents certain information relating to the Bemus Point Central School District, Chautauqua County, New York (the "District," "County," and "State," respectively) in connection with the sale of the District's \$2,030,000 School District Serial Bonds, 2026 (the "Bonds").

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

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

THE BONDS

Description of the Bonds

The Bonds comprise an issue in the aggregate principal amount of \$2,030,000, will be dated June 16, 2026 (the date of delivery) and will mature in installments on December 15, 2026 and annually thereafter as set forth on the cover page hereof. Interest on the Bonds will be payable on December 15, 2026 and semiannually thereafter on June 15 and December 15, until maturity (or earlier redemption).

The Bonds will be issued in registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Purchase of the Bonds will be made in book-entry-only form in denominations of \$5,000 each or any integral multiple thereof. Bondholders will not receive certificates representing their ownership interest in the Bonds purchased. Principal and interest on the Bonds will be payable when due as described in "Book-Entry-Only System" herein.

The record date for the Bonds is the last business day of the calendar month immediately preceding each respective interest payment date.

Optional Redemption

The Bonds maturing on or before December 15, 2033 will not be subject to redemption prior to maturity. The Bonds maturing on or after December 15, 2034 will be subject to redemption prior to maturity, at the option of the District, on December 15, 2033 or on any date thereafter, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected at random within a maturity), at par (100%), plus accrued interest to the date of redemption.

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

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

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

Authorization and Purpose

The Bonds are being issued in accordance with the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the District (the “Board”) on August 14, 2023, following a positive vote at the annual meeting of the qualified voters of the District that was held on May 16, 2023 authorizing the issuance of up to \$2,130,000 of serial bonds of the District for a capital improvements project consisting of the reconstruction, rehabilitation and renovation of, and the construction of improvements and upgrades to the Maple Grove Jr./Sr. High School and the site thereof (collectively, the “Project”). The proceeds of the Bonds, along with \$100,000 of available funds, will be used to redeem and retire, an outstanding bond anticipation note of the District that was issued on June 18, 2025 and maturing June 17, 2026.

For further information regarding bond authorizations of the District for capital purposes and other monies relating thereto, see “INDEBTEDNESS OF THE DISTRICT”.

Book-Entry-Only System

To the extent that the Bonds are issued through DTC, the DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for all Bonds 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, the National Securities Clearing Corporation and the 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”). S&P Global has issued DTC a rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC may be obtained from the website of The Depository Trust Company. Reference to the website implies no warranty of the accuracy of the information therein.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds 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 the notices be provided directly to them.

Principal and interest payments on the Bonds 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 a 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 bonds 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, agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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 BONDS: (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 THE 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 BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE BONDS.

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 Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the principal corporate trust office of a bank(s) or trust company(ies) located and authorized to do business and act as a fiscal agent in the State of New York to be named by the District. Interest on the Bonds will be payable December 15, 2026 and semi-annually thereafter on June 15 and December 15 in each year to maturity (or earlier redemption). Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month immediately preceding each respective interest payment date. The Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificates of Determination executed by the President of the Board authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of the Bonds between the record date for the Bonds and such interest payment date.

Security and Source of Payment

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

The Bonds 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 limitations imposed by Chapter 97 of the 2011 Laws of New York). See "REAL PROPERTY TAX INFORMATION –Tax Levy Limitation Law," herein.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the State is specifically precluded from restricting the power of the District to levy taxes on real property therefor. See the discussion under "REAL PROPERTY TAX INFORMATION –Tax Levy Limitation Law," herein.

Remedies of Bondholders 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 bonds or notes issued by the school districts in the State for school purposes 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 and 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 and notes of the school district found to be in default and the amount of principal and interest thereon past due.

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

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

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

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 judgment 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 Bonds in the event of a default in the payment of the principal of or interest on the Bonds.

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

The Federal Bankruptcy Code (the "Bankruptcy Code") allows public bodies, such as counties, cities, towns and villages, 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 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 applicable in the future.

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 actions 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 violates 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. To the best knowledge of current District officials, the District has never defaulted in the payment of the principal of and interest on any indebtedness.

THE DISTRICT

General Information

The District, with an estimated population of 4,846, encompasses an area of approximately 59 square miles in Chautauqua County on the eastern shore of Chautauqua Lake, between the City of Jamestown and the Village of Mayville. The District includes a major portion of the Town of Ellery, and the Village of Bemus Point, as well as smaller portions of the Towns of Ellicott and Gerry.

It is largely located within residential and agricultural areas, with summer homes and resorts located along Chautauqua Lake. Many residents find employment in the City of Jamestown.

The District is served by an interchange of New York Interstate 86, and a New York Interstate 90 interchange is within 15 miles of the northwestern edge of the District.

Source: District Officials.

District Organization

Subject to the provision of the State Constitution, the District is an independent entity that operates pursuant to the provisions of the State Education Law, the General Municipal Law, the Local Finance Law, the Public Officers Law, the Real Property Tax Law, and other laws generally applicable to the District, and any special laws applicable to the District. Under such laws there is no authority for the District to have a charter or adopt local laws.

The legislative power of the District is vested in the Board of Education (the "Board"). Members of the Board are elected on a staggered term basis by qualified voters at the annual election of the District held in May. The term of office for each board member is three years, and the number of terms that may be served is unrestricted. A president and vice president are selected by the Board from its members. The Board is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

During the first seven days of July each year, the Board meets for the purpose of reorganization. At that time, an election is held within the Board to elect a President and Vice President, and to appoint a District Clerk, District Treasurer and Tax Collector.

The Board appoints the Superintendent of Schools who serves under a written contract which, by statute, must be of no less than three and no more than five years in duration. Such Superintendent is the chief executive officer of the District. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board. Certain other administrative and financial functions of the District are the responsibility of the Superintendent of Schools and the Business Executive.

Employees

The District provides services through 139 full-time and part-time employees, some of whom are represented by the following units of organized labor:

<u>Unions</u>	<u>No. of Members</u>	<u>Contract Expiration Date</u>
Bemus Point Faculty Association	72	June 30, 2029
Bemus Point Support Staff	57	June 30, 2027
Bemus Point Administrators	3	June 30, 2026*
Bemus Point Non-Instructional Supervisors	4	June 30, 2026*
Bemus Point Confidential – Secretary to the Superintendent	1	June 30, 2028
Bemus Point Confidential – School Safety Advisor	1	June 30, 2026*

Source: District Officials.

Note: * Contract currently under negotiation.

Additionally, the Superintendent of Schools is covered by his own individual contract.

<u>Enrollment</u>	
<u>School Year</u>	<u>K – 12 Enrollment</u>
2021-22	632
2022-23	610
2023-24	600
2024-25	584
2025-26	568

<u>Enrollment Projections</u>	
<u>School Year</u>	<u>Projected Enrollment</u>
2026-27	560
2027-28	560
2028-29	560
2029-30	560
2030-31	560

<u>District Facilities</u>		
<u>Name</u>	<u>Date of Construction / Latest Alterations</u>	<u>Capacity</u>
Bemus Point Elementary	1954 / 2021	900
Maple Grove Jr. and Sr. High	1966 / 2018	1,000
Bus Garage	1947 / 2022	N/A
<u>Total Aggregate Insurable Value: \$69,812,719</u>		

Source: District Officials.

Note: N/A = Not Applicable.

DEMOGRAPHIC AND STATISTICAL INFORMATION

The following tables present certain comparative demographic and statistical information regarding the District, the County, the State and the United States.

Population				
<u>Year</u>	<u>District</u>	<u>County</u>	<u>State</u>	<u>United States</u>
1990	5,262	141,895	17,990,455	249,632,692
2000	5,270	139,750	18,976,457	281,421,906
2010	5,172	134,905	19,378,102	308,745,538
2020	4,846	127,657	20,201,249	331,449,281

Source: US Census Bureau.

Median Household Income				
<u>Year</u>	<u>District</u>	<u>County</u>	<u>State</u>	<u>United States</u>
1990	\$28,210	\$24,183	\$32,965	\$30,056
2000	44,260	33,458	43,393	41,994
2020 – 2024	86,681	58,351	85,974	80,734

Source: US Census Bureau and American Community Survey (2020 – 2024).

Per Capita Income				
<u>Year</u>	<u>District</u>	<u>County</u>	<u>State</u>	<u>United States</u>
1990	\$14,378	\$11,287	\$16,501	\$14,420
2000	21,295	16,840	23,389	21,587
2020 – 2024	58,186	32,691	50,712	44,673

Source: US Census Bureau and American Community Survey (2020 – 2024).

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is the County. The information set forth below with respect to such County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the District is necessarily representative of the County or vice versa.

<u>Annual Averages</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2021	5.4%	7.1%	5.3%
2022	3.8	4.3	3.6
2023	4.0	4.0	3.6
2024	4.1	4.2	4.0
2025	4.3	4.3	4.3
<u>2026 Monthly Rates:</u>			
January	5.4%	4.7%	4.7%
February	5.7	5.2	4.7
March	5.1	4.4	4.3

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

Selected Listing of Larger Employers

<u>Name</u>	<u>Type</u>	<u>Estimated No. of Employees</u>
Heritage Green	Nursing Home	225
Bemus Point Central School District	Public Education	139
Village Casino	Restaurant	100
Midway State Park	Amusement Park	75

Source: District Officials.

Additionally, many District residents find employment in the nearby City of Jamestown.

DISTRICT INDEBTEDNESS

Constitutional Requirements

The State Constitution limits the power of the District to issue obligations and to otherwise contract indebtedness. Such constitutional limitations, in summary form and as generally applicable to the District and the Bonds, include the following:

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

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

Payment and Maturity: Except for certain short-term 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; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has elected to issue indebtedness with substantially level or declining annual debt service. 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 of its serial bonds and notes.

There is no constitutional limitation on the amount that may be raised by the District by tax on real property in any fiscal year to pay interest and principal on all indebtedness. Statutory limitations are imposed by Chapter 97 of the 2011 Laws of New York, as amended. See, "REAL PROPERTY TAX INFORMATION – Tax Levy Limitation Law," herein.

General: The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the District so as to prevent abuses in taxation and assessments and in contracting indebtedness; however, as has been noted under "THE BONDS - Security and Source of Payment," and "REAL PROPERTY TAX INFORMATION – Tax Levy Limitation Law," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real property for the payment of interest on or principal of indebtedness theretofore contracted.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds.

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 were authorized for an object or purpose for 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. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

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 extend (generally) more than 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. (See "Payment and Maturity" under "Constitutional Requirements" herein and "Details of Short-Term Indebtedness Outstanding," herein.)

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget and capital notes. (See "Details of Short-Term Indebtedness Outstanding," herein.)

Debt Limit

Pursuant to the State Constitution and the Local Finance Law, the District has the power to contract indebtedness for any school district purpose authorized by the State Legislature provided the aggregate principal amount thereof shall not exceed ten per centum of the average full valuation of the taxable real property of the District and subject to certain enumerated deductions such as State aid for building purposes. The Constitutional and statutory method for determining full valuation consists of dividing the total assessed valuation of taxable real property for a specified assessment roll by the final equalization ratio established for such assessment roll by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined.

The following pages present certain details with respect to the indebtedness of the District as of the date of this Official Statement.

Details of Short-Term Indebtedness Outstanding

As of the date of this Official Statement the District has the following outstanding short-term indebtedness:

<u>Type</u>	<u>Maturity</u>	<u>Purpose</u>	<u>Amount</u>
Bond Anticipation Note	6/17/2026	Capital Project	\$2,130,000 ¹
Bond Anticipation Note	7/23/2026	Bus Purchases	<u>1,143,000</u>
			<u><u>\$3,273,000</u></u>

Source: District Note Records.

Note: ¹ To be redeemed and retired with the proceeds of this issue and \$100,000 of available funds of the District.

Revenue and Tax Anticipation Notes

The District has not found it necessary to borrow in anticipation of taxes and revenues in recent years.

Status of Outstanding Bond Issues

Year of Issue:	2018A		2021	
Amount Issued:	\$12,920,000		\$1,995,000	
Last Maturity:	6/15/2033		6/15/2036	
Interest Rate/Instrument:	5.00% - DASNY SB		2.00% - SB	
Purpose:	Building		Building	
Balance Principal 06-30-25:	\$7,695,000		\$1,450,000	
Fiscal Year				
<u>Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$940,000	\$384,750	\$120,000	\$29,000
2027	985,000	337,750	120,000	26,600
2028	1,030,000	288,500	125,000	24,200
2029	1,085,000	237,000	125,000	21,700
2030	1,135,000	182,750	130,000	19,200
2031	1,075,000	126,000	135,000	16,600
2032	995,000	72,250	135,000	13,900
2033			135,000	11,200
2034			140,000	8,500
2035			140,000	5,700
2036			145,000	2,900
Totals:	<u><u>\$7,695,000</u></u>	<u><u>\$1,651,500</u></u>	<u><u>\$1,450,000</u></u>	<u><u>\$179,500</u></u>

Total Annual Bond Principal and Interest Due

Fiscal Year <u>Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Debt Service</u>	<u>% Paid</u>
2026	\$1,060,000	\$413,750	\$1,473,750	11.59%
2027	1,105,000	364,350	1,469,350	23.67%
2028	1,155,000	312,700	1,467,700	36.30%
2029	1,210,000	258,700	1,468,700	49.54%
2030	1,265,000	201,950	1,466,950	63.37%
2031	1,210,000	142,600	1,352,600	76.60%
2032	1,130,000	86,150	1,216,150	88.96%
2033	585,000	33,700	618,700	95.35%
2034	140,000	8,500	148,500	96.88%
2035	140,000	5,700	145,700	98.41%
2036	145,000	2,900	147,900	100.00%
Totals:	<u>\$9,145,000</u>	<u>\$1,831,000</u>	<u>\$10,976,000</u>	

Source: District Bond Records.

Schedule of Principal Payments - Outstanding and Proposed Bonds

Fiscal Year <u>Ending June 30:</u>	<u>Prior Issues</u>	<u>This Issue</u> *	Total Maturing <u>Principal</u>	Year End Outstanding <u>Principal</u>
2026	\$1,060,000	\$0	\$1,060,000	\$10,115,000
2027	1,105,000	175,000	1,280,000	8,835,000
2028	1,155,000	135,000	1,290,000	7,545,000
2029	1,210,000	110,000	1,320,000	6,225,000
2030	1,265,000	120,000	1,385,000	4,840,000
2031	1,210,000	115,000	1,325,000	3,515,000
2032	1,130,000	125,000	1,255,000	2,260,000
2033	585,000	130,000	715,000	1,545,000
2034	140,000	135,000	275,000	1,270,000
2035	140,000	140,000	280,000	990,000
2036	145,000	140,000	285,000	705,000
2037		150,000	150,000	555,000
2038		155,000	155,000	400,000
2039		160,000	160,000	240,000
2040		170,000	170,000	70,000
2041		70,000	70,000	0
Totals:	<u>\$9,145,000</u>	<u>\$2,030,000</u>	<u>\$11,175,000</u>	

Note: * Subject to adjustment by the District in accordance with the Notice of Bond Sale, to accomplish substantially level or declining annual debt service, as provided by the Local Finance Law.

Other Obligations

On September 25, 2013, the District entered into an energy performance contract in the amount of \$1,139,038, with a 3.01% interest rate, and a final maturity date of September 15, 2028. The outstanding principal as of June 30, 2025 was \$291,741.59.

Trend of Outstanding Debt

	Fiscal Year Ending June 30:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Bonds	\$13,330,000	\$12,330,000	\$11,290,000	\$10,240,000	\$9,145,000
Bond Anticipation Notes	717,000	773,000	832,000	921,000	3,142,000
Installment Purchase Contracts	613,888	536,937	457,643	375,936	291,742
Total Debt Outstanding	<u>\$14,660,888</u>	<u>\$13,639,937</u>	<u>\$12,579,643</u>	<u>\$11,536,936</u>	<u>\$12,578,742</u>

Source: Audited Annual Financial Reports of the District.

Computation of Debt Limit and Calculation of Net Indebtedness

(As of May 21, 2026)

<u>Towns</u>	Taxable Assessed <u>Valuation</u>	State Equalization <u>Rate</u>	Taxable <u>Full Valuation</u>
Ellery	\$519,704,620	62.00%	\$838,233,258
Ellicott	80,693,672	69.00%	116,947,351
Gerry	<u>2,514,998</u>	55.80%	<u>4,507,165</u>
Total (2025-26) ¹	<u>\$602,913,290</u>		<u>\$959,687,773</u>
Debt Limit: 10% of Full Valuation			\$95,968,777
Inclusions:			
Bonds			\$9,145,000
Bond Anticipation Notes			<u>3,273,000</u>
Total Inclusions			<u>\$12,418,000</u>
Exclusions:			
Estimated Building Aid ²			<u>\$0</u>
Total Exclusions			<u>\$0</u>
Total Net Indebtedness ^{3 & 4}			<u>\$12,418,000</u>
Net Debt-Contracting Margin			<u>\$83,550,777</u>

Notes: ¹ The latest completed assessment roll for which a State Equalization Rate has been established.

² The calculation of such indebtedness has not taken into account any deductions therefrom of any apportionment of State Aid for debt service for school district purposes for which the District may be entitled. Since the gross indebtedness of the District is within its constitutional debt limit, the District is not required to apply for a Building Aid Estimate from the State Department of Education. The District anticipates the receipt of building aid (see "Building Aid Estimate," herein).

³ Represents 12.94% of the District's Debt Limit.

⁴ Installment purchase contracts, while not debt, do count towards the District's debt limit. The principal amount of the District's outstanding installment purchase contracts has not been included in this debt limit computation table in order to be consistent with the State Comptroller's official debt statement filing instructions. For a summary of outstanding principal, see "Other Obligations," herein.

Building Aid Estimate

Pursuant to the provision of Chapter 760 of the Laws of 1963, the District is eligible to receive a formal Building Aid Estimate from the State Department of Education. The District has not applied for such estimate, but District officials expect to receive the following building aid:

	Assumed Outstanding Principal <u>June 30, 2025:</u>	<u>Aid Ratio</u>	<u>Estimated Aid</u>
2018 DASNY Serial Bond	\$7,695,000	69.20%	\$5,324,940
2021 \$1,995,000 Serial Bond	1,450,000	69.20%	1,003,400
Energy Performance Contract	291,742	59.20%	172,711
2025 \$2,130,000 Bond Anticipation Note	<u>2,130,000</u>	69.20%	<u>1,473,960</u>
Total:	<u>\$11,566,742</u>		<u>\$7,975,011</u>

Source: State Education Department.

As part of the State's 2001-02 budget process, a fundamental reform of building aid was enacted as Chapter 383 of the Laws of 2001. The provisions legislated, among other things, an "assumed amortization" payout schedule for 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 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 District will receive in relation to the District's outstanding bonds.

Authorized and Unissued Indebtedness

As of the date of this Official Statement, the District has \$236,000 of authorized and unissued debt pursuant to a bond resolution adopted by the Board on May 12, 2025 for the acquisition of electric school buses and associated infrastructure discussed below. The District anticipates borrowing against this resolution in the future.

Capital Project Plans and Anticipated Future Borrowings

The District has recently completed a \$2,430,000 capital project that was approved by the voters on May 16, 2023. Work includes the reconstruction, rehabilitation, and renovation, in part, and the construction of improvements and upgrades to the Maple Grove Jr./Sr. High School and the site thereof. The work has been funded with \$300,000 of capital reserve funds and borrowed funds. The Bonds are providing permanent financing for this project.

Furthermore, on March 18, 2025 District voters approved a proposition for the acquisition of electrical school buses and associated infrastructure at a maximum estimated cost of \$1,040,000. The District expects to fund the acquisition and construction of improvements with a \$400,000 EPA grant, \$428,500 of New York State Bus Incentive Program grants and rebates and up to \$236,000 of anticipated future borrowings.

In addition, District voters approved a new \$2,425,000 capital project on May 19, 2026 involving the reconstruction, rehabilitation, and renovation, in part, and the construction of improvements and upgrades to the school buildings and the site thereof. The project is anticipated to be funded with \$500,000 of capital reserve funds and up to \$1,925,000 of borrowed funds. Work is expected to begin in 2027 following approval of plans and specifications by the State Education Department.

Direct and Overlapping Indebtedness

In addition to the District, the political subdivisions in the following table have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District.

The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of the political subdivisions located within the District's boundaries. Such taxpayers' share of this overlapping debt is based upon the amount of the District's equalized property values taken as a percentage of each separate unit's total values. The following table below sets forth both the total outstanding principal amount of debt issued by the District and the appropriate magnitude of the burden on taxable property of the District of the debt issued and outstanding by such overlapping entities, as of the dates shown.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Applicable Total Indebtedness	Exclusions ¹	Applicable Net Indebtedness	Full Value of District in Municipality	Total Full Value of Municipality	% In District	Estimated Applicable Overlapping Debt
County:								
Chautauqua	2025	\$48,533,680	\$4,723,061	\$43,810,619	\$959,687,773	\$10,924,301,003	8.78%	\$3,848,714
Towns:								
Ellery	2024	135,034	0	135,034	838,233,258	838,233,258	100.00%	135,034
Ellicott	2025	275,000	275,000	0	116,947,351	724,087,835	16.15%	0
Gerry	2024	0	0	0	4,507,165	107,294,851	4.20%	0
Village:								
Bemus Point	2024	0	0	0	89,308,198	89,308,198	100.00%	0
Total Net Overlapping Debt:								\$3,983,748
Total Net Direct Debt:								12,418,000
Total Overlapping and Direct Debt:								<u>\$16,401,748</u>

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

Note: ¹ Exclusions consist of indebtedness deductible from gross indebtedness for debt limit purposes pursuant to constitutional and statutory provisions (including water and sewer debt and revenue anticipation notes).

Debt Ratios

The following table presents certain debt ratios relating to the District's net direct and overlapping indebtedness as of May 21, 2026:

	Amount	Debt Per Capita ¹	Debt Full Value ²
Net Direct Debt	\$12,418,000	\$2,562.53	1.29%
Total Direct & Applicable Total Overlapping Debt	16,401,748	3,384.60	1.71%

Notes: ¹ The population of the District is 4,846 according to the 2020 US Census Bureau.

² The full valuation of real property located in the District for the 2025-26 fiscal year is \$959,687,773.

FINANCES OF THE DISTRICT

Financial Statements and Accounting Procedures

The financial statements of the District are audited each year by an independent certified public accountant. The last such audit covers the fiscal year ended June 30, 2025. A copy of such report is attached hereto as APPENDIX B.

The District complies with the Uniform System of Accounts as prescribed for school districts in the State by the State Education Department and the Department of Audit and Control. 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 Governmental Accounting Standards Board (“GASB”).

The financial affairs of the District are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the District has complied with the requirements of various state and federal statutes. The District has not been the subject of such an audit within the last five years.

Fund Structure and Accounts

The General Fund is the general operating fund for the District and is used to account for substantially all revenues and expenditures of the District. The District also maintains a special aid fund, school lunch fund, risk retention fund and debt service fund. In addition, a capital projects fund is used to record capital facilities. While the District previously maintained a trust and agency fund accounts for assets received by the District in a fiduciary capacity, the District’s implementation of GASB Statement No. 84 eliminated such fund as of July 1, 2020.

Basis of Accounting

The District’s governmental funds are accounted for on a modified accrual basis whereby revenues, other than those susceptible (“measurable” and “available” to finance current operations) to accrual, are recorded when received in cash. Revenues susceptible to accrual include real property taxes and State aid. The District generally records expenditures on the accrual basis when fund liabilities are incurred, except for interest on general obligation debt which is recorded when it becomes due. Pension costs billed to the District by the State are recorded as expenditures in full in the fiscal year billed. The estimated unbilled portion of these pension costs for governmental funds are shown as a liability on the balance sheet of the general long-term debt accounts group. Accumulated vacation and sick leave are also accounted for in the general long-term debt account group. Inventories are generally not recorded but expensed at the time of purchase; food and supplies in the school lunch fund are inventoried and carried at values which are approximate to market value. Fixed assets are recorded at replacement costs as determined by appraisal; all capital assets, except land, are depreciated on a straight-line basis over their estimated useful lives.

Investment Policy

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

The primary objectives of the District’s investment policy are, in priority order, as follows:

- To conform to all applicable federal, State and other legal requirements.
- To adequately safeguard principal.
- To provide sufficient liquidity to meet all operating requirements.
- To obtain a reasonable rate of return on invested funds.

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the “GML”), the District is generally permitted to deposit moneys which are not required for immediate expenditure 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 by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit 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; (4) with the approval of the State Comptroller, tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those notes issued by the District itself; (5) certificates of participation issued in connection with installment purchase agreements 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, obligations of the District.

All of the foregoing investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided by Section 10 of the GML. The District is not presently investing in repurchase agreements.

Collateral is required for demand deposit, money market accounts 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.

Budgetary Procedures

Annually, pursuant to the Education Law, the Board prepares or causes to be prepared a budget for the ensuing fiscal year. During November and December, the tentative budget is developed and refined in consultation with school principals and department supervisors. At subsequent meetings of the Board the proposed budget is discussed and further refined. The tentative budget is adopted by the Board and submitted to referendum at the Annual Meeting held on the third Tuesday of May. Prior to the Annual Meeting a public hearing is held with respect to the proposed budget.

Pursuant to Chapter 97 of the 2011 Laws of New York, beginning with the District's 2012-13 fiscal year, if the proposed budget requires a tax levy increase that, after permissible exemptions are applied, does not exceed the lesser of two percent (subject to certain allowable adjustments) or the increase in a designated measure of the consumer price index (CPI), commonly referred to as the "Tax Cap", a simple majority affirmative 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% affirmative vote is required for approval. Any separate proposition that would cause the District to exceed the Tax Cap also must receive at least 60% voter approval. The District has not exceeded the Tax Cap in any year.

If the proposed budget is not approved by the required margin, the Board may resubmit the original budget or submit 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 no greater than that of the prior fiscal year.

If the resubmitted original or revised budget is not approved by the required margin, the Board must adopt a contingency budget that requires a tax levy no greater than that of the prior fiscal year. For a complete discussion of Chapter 97 of the 2011 Laws of New York, see "REAL PROPERTY TAX INFORMATION – Tax Levy Limitation Law," herein.

Residents of the District who are qualified to vote may participate in the referendum. If, by majority vote, the budget is approved, the Board, by resolution, adopts the budget for the ensuing fiscal year. If the budget is not approved, the Board may make changes to the budget and re-submit it as revised to the voters for adoption. In the event that the voters reject a tax levy and the District does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

The District's budget for the 2026-27 fiscal year was approved by voters on May 19, 2026.

Appropriations established by adoption of the general fund budget constitute a limitation on expenditures (and encumbrances) which may be incurred by the District. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations occur subject to legal restriction, if the Board approves them because of a need which exists, or was not determined at the time the budget was adopted.

Revenues

The District receives a significant portion of its revenue from State aid and a real property tax on all non-exempt real property situated within the District. A summary of such revenues for the five most recently completed fiscal years for which audited financial statements are available may be found in APPENDIX A.

Real Property Taxes

See "REAL PROPERTY TAX INFORMATION," herein.

State Aid

The District is dependent to a significant degree on financial assistance from the State in the form of State aid for both operating and capital purposes. 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 January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity ("CFE") 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 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 legislature reforms in the wake of the CFE decision include increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation continued, however, as a case related to the CFE case was heard on appeal on May 30, 2017 in New Yorkers for Students' Educational Rights ("NYSER") v. State of New York and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserted that the State has failed to comply with the original decision in the Court of Appeals in the CFE case, and asked 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 increased 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 plaintiff's 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 CFE case that absent "gross educational inadequacies", claimed 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 a settlement was reached in the NYSER lawsuit. The new settlement required the State to fully fund the foundation aid owed to school districts by the State's 2024 fiscal year budget through a phased implementation. The State anticipated covering 30% in the 2022 fiscal year budget, 50% of the short-fall in the 2023 fiscal year budget and the remaining balance in the 2024 fiscal year.

Accordingly, the State enacted budget for the 2021-22 fiscal year was more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. The State's adopted budget for the fiscal year ended March 31, 2022 included large-scale increases in State aid to school districts, including a \$105 million expansion of full-day prekindergarten that provided funding to 200 school districts that didn't previously receive state funding for such full-day prekindergarten programs. In contrast to the 2020-21 budget, this budget provided that additional federal aid would supplement, not supplant, State funding. Most notably, Foundation Aid was increased by \$1.4 billion (7.6%), and the State has committed to a three-year phase-in of the restoration of the full Foundation Aid formula to finally fulfill the State's commitments from the CFE case from the early 2000s.

The State enacted budget for the fiscal year ended March 31, 2023, increased Education Aid by more than \$2.1 billion, including a \$1.5 billion increase in Foundation Aid, bringing the new Education Aid total to \$31.5 billion or an increase of 7.2%. This budget continued to implement the three-year phase in of full funding of the current Foundation Aid formula for those districts that were due additional aid in prior years, and included a 3% minimum increase to districts that had previously been fully funded, which would not have otherwise been owed additional Foundation Aid under current law. The budget also provided for \$125 million of additional funding for full-day prekindergarten programs. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full.

The State enacted budget for the fiscal year ended March 31, 2024, increased Education Aid by more than \$3 billion, including a \$2.6 billion increase in Foundation Aid, bringing the new Education Aid total to \$34.5 billion. This budget provided for the final year of implementation of the three-year phase in of full funding of the current Foundation Aid formula for those districts that were due additional aid in prior years. The budget also provided for \$150 million of additional funding for full-day prekindergarten programs, and \$134 million of additional funding to increase access to free school meals. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full.

The State enacted budget for the fiscal year ending March 31, 2025 increased Education Aid by \$1.4 billion to a total of \$35.9 billion. This budget provided for \$24.9 billion of Foundation Aid, but also included funding to examine the Foundation Aid program to in anticipation of potential formula changes implemented in the next year. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as has been customary in recent years.

On January 20, 2026, Governor Hochul released her proposed 2026-27 Executive Budget. The Executive Budget provides for a total of \$39.3 billion in school aid, with \$27.1 billion being Foundation Aid (a 3% increase over the current year). Expense based and categorical aids, such as school construction, transportation, shared services through BOCES and special education, are proposed to be increased by \$282 million (a 2.9% increase) for a total budgetary appropriation of \$9.8 billion. Further, the Executive Budget provides for an increase to Universal Prekindergarten aid of \$431 million (40.3%), amount to a total of \$1.5 billion. A final budget must be approved by April 1, 2026; however, due to ongoing negotiations between Governor Hochul and legislative leaders, an extension through May 26, 2026 has been enacted. It is expected that further extensions will be enacted until a final budget is adopted.

Although the State's recent budgets have contained additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

There can be no assurance that the State appropriation for State aid to school districts will not be reduced or delayed in future fiscal years, as the State is not constitutionally obligated to maintain or continue State aid to the District. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available, therefor.

A summary of State aid payments received by the District for the last five fiscal years for which financial statements are available and the amounts budgeted for the 2025-26 and 2026-27 fiscal years are as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Total General Fund State Aid</u>	<u>Total General Fund Revenues</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2021	\$5,751,832	\$15,090,954	38.11%
2022	5,883,057	15,324,295	38.39%
2023	6,068,289	15,802,997	38.40%
2024	6,345,620	16,357,664	38.79%
2025	6,415,084	16,775,945	38.24%
2026 (Budgeted)	6,537,359	17,036,676	38.37%
2027 (Budgeted)	6,665,351	17,487,967	38.11%

Source: Audited Annual Financial Reports and Adopted Budgets of the District.

Expenditures

The major categories of expenditure for the District are General Support, Instruction, Employee Benefits, Pupil Transportation and Debt Service. A summary of the expenditures for the five most recently completed fiscal years for which financial statements are available, and the amounts budgeted for the 2025-26 and 2026-27 fiscal years may be found in APPENDIX A.

The State Comptroller's Fiscal Stress Monitoring System

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

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," is "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 most current applicable report of the State Comptroller lists the District's current fiscal stress score as 0.0% putting it in the "No Designation" category.

For a complete list of school district and municipal fiscal stress scores, visit the website of the Office of the State Comptroller. Reference to the website implies no warranty of the accuracy of the information therein.

Employee Pension Benefits

Professional employees (teachers and administrators) of the District are members of the State Teachers' Retirement System ("TRS"). Payments to the TRS are generally deducted from State aid payments. All nonprofessional employees of the School District eligible for pension or retirement benefits are members of the State and Local Employees' Retirement System ("ERS," and collectively with the TRS, the "Systems"). Both the TRS and ERS are non-contributory with respect to the members hired prior to July 1, 1976. All members of the respective systems hired on or after July 1, 1976 and before April 2, 2012 contribute 3% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs. Chapter 86 of the Laws of 2000 eliminated the 3% contribution for Tier 3 and Tier 4 members with 10 years of service credit.

On December 10, 2009, legislation created a new Tier 5 pension level. Key components of ERS Tier 5 included 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 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 five years to 10 years; capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages; and increasing the vesting period from five years to 10 years. Tier 5 applies to public employees hired on or after January 1, 2010 and on or before April 1, 2012.

Members of the TRS have a separate Tier 5 benefit structure that achieves 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 3.0% and continuing this increased contribution so long as they accumulate additional pension credits and increases the two percent multiplier threshold for final pension calculations from 20 to 25 years.

Chapter 18 of the Laws of 2012 provided for a new Tier 6 for employees hired after April 1, 2012. This pension tier has progressive contribution rates between 3% and 6%; it increased the retirement age for new employees from 62 to 63 and included provisions allowing early retirement with penalties. Under Tier 6, the pension multiplier is 1.75% for the first 20 years of service and 2% thereafter; the time period for calculation of final average salary was increased from three years to five years; and the amount of overtime to be used to determine an employee's pension was capped at \$15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also included a voluntary, portable, defined contribution plan option for new non-union employees with salaries of \$75,000 or more.

The State's enacted budget for the 2022-23 fiscal year, which was signed into law on April 9, 2022, reduced the number of years of service credit required to vest from ten years to five years for Tier 5 and Tier 6. In addition, the enacted budget changed the contribution rate to the system for Tier 6 members from April 1, 2022 through March 31, 2024 to be determined on only the base pay, not including any overtime compensation, earned between April 1, 2020 through March 31, 2022, so as to not penalize those members that worked overtime to provide essential services during the COVID-19 pandemic. Further, the annual earnings limit of \$35,000 has been waived for any retiree working in a public school through June 30, 2027.

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.

For the last five fiscal years for which financial statements are available and the amounts budgeted for the 2025-26 and 2026-27 fiscal years, the District's actual and budgeted contributions to the ERS and TRS are as follows:

<u>Fiscal Year</u> <u>Ending June 30:</u>	<u>ERS</u>	<u>TRS</u>
2021	\$237,368	\$518,172
2022	250,422	550,890
2023	190,125	624,562
2024	229,867	613,969
2025	267,729	694,806
2026 (Budgeted)	325,000	610,000
2027 (Budgeted)	369,000	525,000

The District's contributions made to the Systems were equal to 100% of the contributions required for each year. The District prepays its pension obligations in December of each year to take advantage of the discounted payment amount offered by the System for paying pension obligations in advance of the February 1 due date.

Pursuant to Chapter 49 of the Laws of 2003, the District is required to contribute a minimum contribution of 4.50% of payroll every year, including years in which the investment performance of the fund would make a lower contribution possible.

Due to significant capital market declines in the wake of the 2008 and 2009 financial crisis, the Retirement System's portfolio experienced negative investment performance and severe downward trends in market earnings. As a result, State Comptroller Thomas DiNapoli announced that the employer contribution rate for the State's Retirement System in 2012 and subsequent years would be higher than the minimum contribution rate established by Chapter 49. For fiscal year 2026-27 average ERS contributions will increase from 16.5% to 17.6% of payroll. The System posted a 5.84% return for the fiscal year that ended March 31, 2025.

TRS Administrative Bulletin, Issue No. 2025-10, August 2025, reports that the Retirement Board adopted an Employer Contribution Rate (ECR) of 9.59% of member payroll to be collected in the 2026-27 fiscal year, a decrease from the rate of 10.11% applicable to payroll collected in the 2025-26 fiscal year. This ECR is applied to fiscal year 2025-26 TRS member salaries and will be collected in the fall of 2026. TRS Administrative Bulletin, Issue No. 2026-1, January 2026 has provided an estimated ECR of 8.24% applicable to 2026-27 member salaries, which will be collected in the fall

of 2027. The final 2026-27 ECR is expected to be adopted at the July 2026 meeting. The one-year rate of return on the System's assets for the fiscal year that ended June 30, 2025 was 10.6%.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to the SRS, 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 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 amount, for future use.

The 2013-14 State Budget established an Alternative Contribution Stabilization Program (ACSP) which allowed local governments and school districts to lessen the cash impact of current increases in pension contributions, while repaying the deferrals with interest as well as contributing to a reserve account to dampen future rate increases. Eligible participating employers had the opportunity to make a one-time election in the 2013-14 fiscal year to the ACSP. Interest rates charged on deferrals to participants in the ACSP program were comparable to a 10-year treasury bond adjusted to a 12-year duration, plus one percent. Once a participating employer elected into the program, deferred contributions could be amortized over a period of up to 12 years using the ACSP. Prior to April 2023, a participant could not withdraw from the program; however, as part of the State's enacted budget for the 2023-24 a provision was included that now allows a participant to withdraw provided that certain conditions are met, including the requirement that all previous amortizations are paid in full plus interest. If a municipality withdraws from the program, it cannot rejoin at a later date. The plan reduced pension contributions for local governments and school districts in the near future but required higher payments later on. However, those higher payments in later years could be offset, at least in part, by savings from the new pension tier, Tier 6.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, included a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve 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 has established such a fund.

The investment of monies and underlying assumptions of the Retirement Systems covering the District's employees are 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 ("UAAL"). 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 UAAL 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

In June 2004, GASB released Statement No. 45 ("GASB 45"), which required state and local governments to account for and report their costs associated with post-employment benefits and other non-pension benefits ("OPEB"), as it accounts for vested pension benefits. OPEB consists primarily of health care benefits and may include other benefits such as disability benefits and life insurance. It required them to adopt 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. Unlike GASB 27, which covers accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and its compliance in meeting its ARC.

In June 2015, GASB issued GASB Statement 75 (“GASB 75”), which superseded and eliminated GASB 45. This Statement established new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Municipalities or school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. GASB 75 was required to be implemented for all municipalities and school districts in the fiscal year beginning after June 2017.

Under GASB 75, the District’s net change in OPEB liability and total liability for the past five years are as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Net Change in Liability</u>	<u>Total OPEB Liability</u>
2021	(\$30,000)	\$3,190,659
2022	(351,674)	3,834,605 ¹
2023	0	3,834,605
2024	60,588	3,578,208
2025	34,491	3,543,717

Note: ¹ Includes \$995,620 prior period adjustment due to an actuarial update.

There is no authority in current State law to establish a reserve fund to meet this liability. While State Comptroller DiNapoli proposed a bill in April of 2015, and again in 2016, that would create an optional investment pool to help local governments fund their OPEB liabilities, such legislation did not advance past the committee stage. The District continues to meet this liability on a pay-as-you-go basis.

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 received or 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. This protection from unilateral reduction of benefits has been extended permanently pursuant to Part B (Section 14) of Chapter 504 of the laws of 2009. 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.

Additional information about GASB 75, GASB 45 and other accounting rules applicable to municipalities and school districts may be obtained from GASB.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The District derives its power to levy an *ad valorem* real property tax from the State Constitution. Methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by the various towns within the District. Assessment valuations are determined by the respective town assessors and the State Office of Real Property Services which is responsible for certain utility and railroad property. In addition, the State Office of Real Property Services annually establishes State Equalization Rates for all localities in the State, which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aids and are used by many localities in the calculation for debt contracting and real property taxing limitations.

The following table presents the total tax levy and collection performance for the last five fiscal years.

Tax Collection Record

	Fiscal Year Ended June 30:				
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Total Tax Levy	\$9,054,864	\$9,316,717	\$9,481,126	\$9,812,966	\$10,128,399
Library Tax	0	0	130,000	130,000	130,000
Less STAR Reimbursement	<u>669,441</u>	<u>619,396</u>	<u>568,686</u>	<u>541,108</u>	<u>516,104</u>
Total Taxes to be Collected	\$8,385,423	\$8,697,321	\$9,042,440	\$9,401,858	\$9,742,295
Taxes Collected Prior to Return to County	<u>7,945,914</u>	<u>8,145,515</u>	<u>8,552,519</u>	<u>8,840,344</u>	<u>9,171,618</u>
Returned to County	\$439,509	\$551,806	\$489,921	\$561,514	\$570,677
Percent Collected Prior to Return	94.76%	93.66%	94.58%	94.03%	94.14%

Source: District Officials

Percentage of Revenues - Real Property Taxes

Fiscal Year Ending June 30:	Total General Fund Real Property Taxes ¹	Total General Fund Revenues	Percentage of Total Revenues Consisting of Real Property Taxes
2021	\$8,981,860	\$15,090,954	59.52%
2022	9,076,941	15,324,295	59.23%
2023	9,342,586	15,802,997	59.12%
2024	9,511,468	16,357,664	58.15%
2025	9,842,053	16,775,945	58.67%
2026 (Budgeted)	10,128,399	17,036,676	59.45%
2027 (Budgeted)	10,399,291	17,487,967	59.47%

Source: Audited Annual Financial Reports and Budgets of the District.

Note: ¹ Includes STAR reimbursement from the State.

Tax Collection Procedure

District taxes are payable and due by September 30. There is a 2% penalty if paid between October 1 and October 31 and 3% if paid on November 1. On November 21, a list of all unpaid taxes is given to the County Treasurer for relevy on County/District tax rolls with additional penalties. The District is reimbursed by the County for all unpaid taxes so that it is assured of 100% collection of its tax levy each year.

Source: District Officials.

Tax Levy Limitation Law

On June 24, 2011, former Governor Andrew Cuomo signed (as Chapter 97 of the 2011 Laws of the State), significant and complex legislation relating to real property tax levies, rent regulation, exemption from local taxation and mandate relief (the “Legislation”). Part A of the Legislation amends the General Municipal Law and the Education Law in order to impose a limit upon real property tax levies by local governments (excluding the City of New York and the counties contained therein) and almost all school districts in the State (the “Tax Levy Limitation Law”).

On June 25, 2015, Chapter 20 of the 2015 Laws of New York (“Chapter 20”) amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016 to June 15, 2020. Chapter 20 also affects the calculation of tax base growth factor, as outlined below. The State’s enacted budget for the fiscal year ending March 31, 2020, which was signed into law on April 12, 2019, made the Tax Levy Limitation Law permanent.

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

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax exempt real property.

Beginning with the 2012-2013 fiscal year, school districts have had to submit their proposed tax levies to the voters each year. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, 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 tax 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. "Capital Local Expenditures" are 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 cash flow borrowings including tax anticipation notes, revenue anticipation notes and budget 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 this is an exclusion from the tax levy limitation. The State Commissioner of Taxation and Finance promulgated a regulation that allows a school district, beginning in the year 2020-21 school year, to adjust the exclusion to reflect a school district's share of capital expenditures related to projects funded through a board of cooperative educational services ("BOCES").

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. Beginning in 2016, new homeowners received the STAR credit in the form of a check rather than receiving a property tax exemption.

Homeowners over 65 years of age with household incomes of \$110,750 or less (an increase from \$107,300 in the 2025-26 year) are eligible for a "full value" exemption for the first \$88,500 of the homeowner's primary residence from school property taxes in the 2026-27 school year (increased from \$86,100 in the 2025-26 school year). Other homeowners where the owner's total income is less than \$500,000 are eligible for at least a \$30,000 "full value" exemption or credit on their primary residence. Beginning with school taxes for the 2011-12 school year, legislation caps STAR savings increases at 2% of the prior year's savings. The School District typically receives full reimbursement of such exempt taxes from the State by the first business day of January in each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York (“Chapter 60”) gradually converts the STAR program from a real property tax exemption to a personal income tax credit. The dollar benefit to eligible taxpayers will not change. However, for any homeowner that owned his or her home after the taxable status date for the assessment roll used to levy taxes for the 2015-2016 school year, such homeowner will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill.

The State’s enacted budget for the fiscal year ended March 31, 2020 included changes to the STAR program. For those homeowners with incomes over \$250,000, the STAR exemption benefit was capped at the 2019 fiscal year level, rather than allowed to grow by up to 2% annually under the STAR credit program. Those homeowners with incomes between \$250,000 and \$500,000 are able to convert to the credit program to maintain the full STAR benefit.

The State’s enacted budget for the fiscal year ended March 31, 2021 further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemption and credits are not impacted by this program; they may continue to receive their STAR benefits even if their property taxes are delinquent.

The details of the STAR exemption formulas are available from the website of the State Department of Taxation and Finance. Reference to the website implies no warranty of accuracy of the information therein.

Assessed and Full Valuations					
	Fiscal Year Ending June 30:				
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessed Valuations:					
Ellery	\$500,852,334	\$504,892,867	\$507,659,655	\$514,564,694	\$519,704,620
Ellicott	79,338,686	79,843,667	79,979,534	80,298,493	80,693,672
Gerry	<u>2,479,150</u>	<u>2,477,184</u>	<u>2,490,322</u>	<u>2,517,831</u>	<u>2,514,998</u>
Total:	<u>\$582,670,169</u>	<u>\$587,213,718</u>	<u>\$590,129,511</u>	<u>\$597,381,018</u>	<u>\$602,913,290</u>
Equalization Rates:					
Ellery	89.00%	78.60%	69.70%	66.80%	62.00%
Ellicott	100.00%	92.75%	85.00%	82.00%	69.00%
Gerry	88.40%	81.50%	75.80%	62.10%	55.80%
Full Valuations:					
Ellery	\$562,755,431	\$642,357,337	\$728,349,577	\$770,306,428	\$838,233,258
Ellicott	79,338,686	86,084,816	94,093,569	97,924,991	116,947,351
Gerry	<u>2,804,468</u>	<u>3,039,490</u>	<u>3,285,385</u>	<u>4,054,478</u>	<u>4,507,165</u>
Total:	<u>\$644,898,585</u>	<u>\$731,481,643</u>	<u>\$825,728,531</u>	<u>\$872,285,897</u>	<u>\$959,687,773</u>
Tax Rate/ \$1,000 Assessed Value:					
Ellery	\$15.78	\$16.20	\$16.47	\$16.84	\$17.02
Ellicott	14.04	13.73	13.51	13.72	15.30
Gerry	<u>15.88</u>	<u>15.63</u>	<u>15.15</u>	<u>18.12</u>	<u>18.91</u>

Source: District Officials.

Ten Largest Taxpayers

2025 Assessment Roll for 2025-26 Taxes

<u>Name</u>	<u>Type</u>	<u>Estimated Full Valuation</u>
National Grid	Utility	\$5,570,388
High Acres MHP LLC	Mobile Home Park	2,566,892
Viking Temple	Various	2,280,000
River Rock Properties LP	Residential	2,200,000
Daniel J. Sumner	Residential	2,019,000
Greenhurst Village, Inc.	Residential	1,856,200
Mary Ellen Rapaport	Residential	1,350,000
Bonnie Lee Morton	Residential	1,300,000
Anderson Revocable Trust	Residential	1,229,000
Edward R Westrick	Residential	1,160,300
Total:		<u><u>\$21,531,780</u></u>

Source: District Officials.

Note: ¹ The above ten taxpayers represent 2.24% of the District's 2025-26 full valuation of \$959,687,773.

LITIGATION

In common with other school districts, the District from time to time receives notices of claim and is party to litigation. In the opinion of the District, after consultation with its attorney, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no significant claims or actions pending in which the District has not asserted a substantial and adequate defense, nor which, if determined against the District, would have an adverse material effect on the financial condition of the District.

There is no action, suit, proceeding 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 any District obligations, or the levy and collection of taxes or assessments to pay the same, or in any way contesting or affecting the validity of any District obligations or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of such obligations, or contesting the corporate existence or boundaries of the District.

Source: District Officials.

BONDHOLDER RISKS

There are various forms of risk associated with investing in the Bonds. One such risk is that the District will be unable to promptly pay interest and principal on the Bonds as they become due (see "THE BONDS - Remedies Upon on Default," herein). If a Bondholder 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 Bonds. 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 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. The State is dependent, to a degree, on the receipt of federal funding. Any

reductions in the level of federal funds provided to the State could have a negative impact on the State's budget and may impact the level of aid provided to municipalities and school districts, including the District (see "FINANCES OF THE DISTRICT," herein). 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 Bonds could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and market for the Bonds. 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 Bonds, could be adversely affected.

If and when a holder of any of the Bonds should elect to sell a bond or 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 Bonds. In addition, the price and principal value of the Bonds is dependent on the prevailing level of interest rates; if interest rates rise, the price of bond will decline, causing the holder to incur a capital loss upon the sale of such bond (unless such bond is held to maturity).

Amendments to the Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and other debt issued by the District. While it is impossible to predict at this time what, if any, legislation will be proposed or enacted, any such future legislation could have an adverse effect on the tax treatment of the Bonds and the market value of the Bonds, see "TAX EXEMPTION," herein.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. To mitigate the risks of impact on the District operations and/or damage from cyber incidents or cyber-attacks, the District has invested in cybersecurity and other operational controls. While the District continues to review its policies and practices in this regard, there can be no assurances that such security and operational control measures will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

Inflation Reduction Act of 2022

On August 16, 2022, former President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376). This legislation imposes 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 earned on tax-exempt obligations. Prospective holders of the Bonds that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Bonds.

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.

TAX EXEMPTION

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, will deliver an opinion that, under existing law, the interest on the Bonds is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for purposes of the individual alternative minimum tax imposed by the Code. However, such opinion will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds to become subject to federal income taxation from the date of issuance of the Bonds. We observe that interest on the Bonds

will be included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Such opinion will state that interest on the Bonds 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 Bonds from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the District with the applicable requirements of Code Sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the “Tax Requirements”). In the opinion of Hodgson Russ LLP, the tax certificate and the nonarbitrage certificate that will be executed and delivered by the District in connection with the issuance of the Bonds (collectively, the “Certificates”) establish requirements and procedures, compliance with which will satisfy the Tax Requirements.

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

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

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

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

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

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

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

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

Legal Matters

The legality of the authorization and issuance of the Bonds will be covered by the legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. Such legal opinion will state that in the opinion of Bond Counsel (i) the Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District, and, unless paid from other sources, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limitation Law); provided, however, that the enforceability (but not the validity) of the Bonds may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of equitable remedies or the application thereto of equitable principles; (ii) assuming that the District complies with certain requirements of the Code, interest on the Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (iii) interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Bonds.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed, without inquiry or other investigation, (a) the legal capacity of each natural person, (b) the full power and authority of each person other than the District to execute and deliver certain documents and to perform certain acts, (c) no modification of any provision of any document, no waiver of any right or remedy and no exercise of any right or remedy other than in a commercially reasonable and conscionable manner and in good faith, (d) the genuineness of each signature, the completeness of each document submitted to Bond Counsel, the authenticity of each document submitted to Bond Counsel as an original, the conformity to the original of each document submitted to Bond Counsel as a copy and the authenticity of the original of each document submitted to Bond Counsel as a copy, (e) the accuracy on the date of this letter of certain reviewed documents, (f) the truthfulness of each statement as to any factual matter contained in such reviewed documents, and (g) the due and timely filing of certain filed documents; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Bonds has extended solely to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Bonds as the same respectively become due and payable; and (iv) no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), unless the Bonds are purchased for the purchaser's own account, as principal for investment and not for resale, the District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as "APPENDIX C." A purchaser buying for its own account shall delivery 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 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.

RATING

Moody's Ratings has assigned a rating of "Aa3" to the Bonds.

Such rating reflects only the view of such rating agency and any desired explanation of the significance of such rating should be obtained from such rating agency. Generally, rating agencies base their rating on rating investigation, studies and assumptions they have made in addition to the information and materials provided by the issuer. There is no assurance that a particular rating will apply for any given period of time or that it will 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 such ratings could have an adverse effect on the market price of the Bonds. Such rating should not be taken as a recommendation to buy or hold the Bonds.

MUNICIPAL ADVISOR

Municipal Solutions, Inc. is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities. In preparing this Official Statement, Municipal Solutions, Inc. has relied upon District officials and other sources, whom have access to relevant data to provide accurate information for this Official Statement. Municipal Solutions, Inc. has not been engaged, nor has it undertaken to, independently verify the accuracy, completeness or fairness of such information. Municipal Solutions, Inc. is not a firm of certified public accountants and has not been engaged by the issuer to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards and principles.

ADDITIONAL INFORMATION

Additional information may be obtained from the business office of the District: Bemus Point Central School District, 3980 Dutch Hollow Road, Bemus Point, New York, 14712, telephone number 716-386-2375, or from Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424, telephone 585-394-4090, website: www.municipalsolution.com.

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

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

So far as any statements made in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District's management's beliefs as well as assumptions made by, and information available to, the District management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District files with

EMMA. When used in District documents or oral presentations, the words “anticipate,” “estimate,” “expect,” “objective,” “projection,” “forecast,” “goal,” or similar words are intended to identify forward-looking statements.

Municipal Solutions, Inc. will place a copy of this Official Statement on its website. Unless the Official Statement specifically indicated otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Municipal Solutions, 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 District nor Municipal Solutions, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Municipal Solutions, Inc., and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Municipal Solutions, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

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

BEMUS POINT CENTRAL SCHOOL DISTRICT
CHAUTAUQUA COUNTY, NEW YORK

May 21, 2026
Bemus Point, New York

By: Lauren B. Ryan
President of the Board of Education

Additional copies of the Notice of Private Competitive Bond Sale and Official Statement may be obtained upon request from the office of Municipal Solutions, Inc., 2528 State Route 21, Canandaigua, New York 14424, telephone (585) 394-4090.
Website: www.municipalsolution.com

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures & Fund Balances
General Fund - Bemus Point CSD

	Fiscal Year Ending June 30:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Real Property Taxes & Tax Items	\$8,981,860	\$9,076,941	\$9,342,586	\$9,511,468	\$9,842,053
Charges for Services	86,512	119,378	63,846	36,327	35,251
Use of Money & Property	4,457	6,302	165,693	251,241	235,308
Sale of Property & Comp. for Loss	9,900	5,750	15,700	0	13,840
Miscellaneous	95,302	90,712	75,469	84,797	98,423
State Aid	5,751,832	5,883,057	6,068,289	6,345,620	6,415,084
Federal Aid	161,091	142,155	71,414	128,211	135,986
Total Revenues:	<u>\$15,090,954</u>	<u>\$15,324,295</u>	<u>\$15,802,997</u>	<u>\$16,357,664</u>	<u>\$16,775,945</u>
Expenditures:					
General Support	\$1,873,090	\$2,095,160	\$2,012,286	\$2,106,525	\$2,371,478
Instruction	6,987,651	7,444,256	7,614,922	7,855,934	8,442,896
Pupil Transportation	511,740	659,412	654,935	661,255	640,504
Employee Benefits	2,886,433	3,062,239	3,332,643	3,350,749	3,464,760
Debt Service	1,933,693	1,932,553	1,936,428	1,942,925	1,985,546
Total Expenditures:	<u>\$14,192,607</u>	<u>\$15,193,620</u>	<u>\$15,551,214</u>	<u>\$15,917,388</u>	<u>\$16,905,184</u>
Other Sources & Uses:					
Operating Transfers Out	<u>(\$118,999)</u>	<u>(\$110,471)</u>	<u>(\$620,636)</u>	<u>(\$111,076)</u>	<u>(\$71,292)</u>
Total Other Sources & Uses:	<u>(\$118,999)</u>	<u>(\$110,471)</u>	<u>(\$620,636)</u>	<u>(\$111,076)</u>	<u>(\$71,292)</u>
Excess (Deficit) Revenues Over Expenditures & Other Uses	<u>\$898,347</u>	<u>\$130,675</u>	<u>\$251,783</u>	<u>\$440,276</u>	<u>(\$129,239)</u>
Fund Balance Beg. of Fiscal Year	<u>\$2,682,679</u>	<u>\$3,462,027</u>	<u>\$3,482,231</u>	<u>\$3,113,378</u>	<u>\$3,442,578</u>
Fund Balance End of Fiscal Year	<u><u>\$3,462,027</u></u>	<u><u>\$3,482,231</u></u>	<u><u>\$3,113,378</u></u>	<u><u>\$3,442,578</u></u>	<u><u>\$3,242,047</u></u>

Source: Audited Financial Reports of the District.

Note: This table is NOT audited.

Balance Sheet
General Fund - Bemus Point CSD

	Fiscal Year Ending June 30:				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assets:					
Cash, Unrestricted	\$1,979,370	\$1,666,679	\$1,078,431	\$1,079,287	\$1,421,530
Cash & Cash Equivalents, Restricted	1,799,466	2,104,661	1,782,849	2,134,317	1,942,145
Accounts Receivable	0	1,408	37,349	21,966	21,104
Prepaid Assets	4,596	4,596	4,596	5,523	5,523
Due from Other Funds	98,778	99,916	650,623	670,488	292,712
State & Federal Aid Receivable	79,105	101,033	66,246	79,528	126,673
Due from Other Governments	223,523	211,276	248,476	239,066	251,578
Total Assets:	<u><u>\$4,184,838</u></u>	<u><u>\$4,189,569</u></u>	<u><u>\$3,868,570</u></u>	<u><u>\$4,230,175</u></u>	<u><u>\$4,061,265</u></u>
Liabilities:					
Accounts Payable	\$30,834	\$87,966	\$50,331	\$73,044	\$62,047
Other Accrued Expenses	106,537	36,979	32,956	33,652	29,486
Due to Teachers' Retirement System	518,171	550,890	627,432	613,969	649,806
Due to Employees' Retirement System	67,269	31,503	44,473	66,932	77,879
Total Liabilities:	<u><u>\$722,811</u></u>	<u><u>\$707,338</u></u>	<u><u>\$755,192</u></u>	<u><u>\$787,597</u></u>	<u><u>\$819,218</u></u>
Fund Balances:					
Non-Spendable	\$4,596	\$4,596	\$4,596	\$5,523	\$5,523
Restricted	1,799,466	2,104,661	1,782,849	2,134,317	1,942,145
Assigned					
Appropriated	730,304	400,000	400,000	541,300	581,650
Encumbrances	0	49,955	33,360	71,804	25,472
Unassigned	927,661	923,019	892,573	689,634	687,257
Total Fund Balances:	<u><u>\$3,462,027</u></u>	<u><u>\$3,482,231</u></u>	<u><u>\$3,113,378</u></u>	<u><u>\$3,442,578</u></u>	<u><u>\$3,242,047</u></u>
Total Liabilities & Fund Balances	<u><u>\$4,184,838</u></u>	<u><u>\$4,189,569</u></u>	<u><u>\$3,868,570</u></u>	<u><u>\$4,230,175</u></u>	<u><u>\$4,061,265</u></u>

Source: Audited Financial Reports of the District.

Note: This table is NOT audited.

Budget Summary
General Fund - Bemus Point CSD
Fiscal Year Ending June 30, 2026

Revenues:	
Real Property Taxes	\$10,128,399
Other Tax Items	17,418
Charges for Services	31,000
Use of Money & Property	150,000
Sale of Property & Comp. for Loss	10,000
Miscellaneous Items	62,500
State Aid	6,537,359
Federal Aid	100,000
Interfund Transfer	58,229
Use of Fund Balance	<u>581,650</u>
Total Revenues:	<u><u>\$17,676,555</u></u>
Expenditures:	
General Support	\$2,271,779
Instruction	8,734,675
Pupil Transportation	751,000
Employee Benefits	3,698,495
Debt Service	2,102,606
Interfund Transfers	<u>118,000</u>
Total Expenditures:	<u><u>\$17,676,555</u></u>

Source: Adopted Budget of the District.

Note: This table is NOT audited.

Budget Summary
General Fund - Bemus Point CSD
Fiscal Year Ending June 30, 2027

Revenues:

Real Property Taxes	\$10,399,291
Other Tax Items	49,325
Charges for Services	26,500
Use of Money & Property	160,000
Sale of Property & Comp. for Loss	10,000
Miscellaneous Items	62,500
State Aid	6,665,351
Federal Aid	115,000
Interfund Transfer	58,787
Use of Fund Balance	<u>564,950</u>

Total Revenues:	<u><u>\$18,111,704</u></u>
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Expenditures:

General Support	\$2,316,266
Instruction	8,757,895
Pupil Transportation	767,100
Employee Benefits	3,904,467
Debt Service	2,247,976
Interfund Transfers	<u>118,000</u>

Total Expenditures:	<u><u>\$18,111,704</u></u>
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Source: Adopted Budget of the District.

Note: This table is NOT audited.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**BEMUS POINT CENTRAL SCHOOL DISTRICT
CHAUTAUQUA COUNTY, NEW YORK**

NOTE: SUCH FINANCIAL REPORT 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.

BEMUS POINT CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2025



BAHGAT & LAURITO-BAHGAT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

PROVIDING THE TOOLS FOR FINANCIAL SUCCESS

BEMUS POINT CENTRAL SCHOOL DISTRICT

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Independent Auditor's Report

The Board of Education of the
Bemus Point Central School District
Bemus Point, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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 *Bemus Point Central School District*, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in Governmental Auditing Standards ("GAS"), 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 Bemus Point 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.

Emphasis of Matter

As discussed in Note 17 to the financial statements, during the year ended June 30, 2025. The District implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement 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 Governmental Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents 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 October 15, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Bahgat & Laurito-Bahgat,
Certified Public Accountants, P.C.
Fredonia, New York

October 15, 2025

**Bemus Point Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2025. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also 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 School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Enrollment: Over the past year, the enrollment District-wide experienced a decline to 584 students.

Significant capital projects:

Capital Outlay project

The District completed a \$100,000 capital outlay project. The project consisted of paving the parking lot and replacing various outside light fixtures at Bemus Point Elementary.

Capital Project

In 2023 the District approved a \$2,430,000 capital project, The project will be funded by utilizing \$300,000 from a capital reserve, and the remainder will be funded with serial bonds. The project includes elevator modernization, classroom unit ventilator system, floor replacements, re-spray of the track, and cafeteria renovations. For the fiscal year ended June 30, 2025 the District spent \$149,962 on the project.

Smart Schools Bond Act Project

The District began phase 2 of its Smart Schools Initiative. Phase 2 includes upgrades to the network closet infrastructure, power upgrades, HVAC and room security. The amount of the project is \$193,929. For the fiscal year ended June 30, 2025 the District spent \$174,799 and completed the project

Changes in Revenue: Property taxes and state aid accounted for most of the District's general revenues, together contributing 97% of total general revenues. The remaining 3% of general revenues came from Medicaid assistance, tuition, monies earned for use of district money and property and other miscellaneous revenues.

Bemus Point Central School District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025
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OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others. The District does not have any activities that qualify for reporting as a fiduciary activity.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Figure A-1 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

**Bemus Point Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1

Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, 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	Modified accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any) liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital 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

Bemus Point Central School District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025
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OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

District-Wide Statements

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the School District's *net position* and how it has changed. Net position – the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the School District's financial health or *position*.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the School District's overall health, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the School District's activities are shown as *Governmental activities*. Most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

Bemus Point Central School District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025
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OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The District has two kinds of funds:

- **Governmental Funds:** Most of the School 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 (2) the balances left at year end that are available for spending. Consequently, the governmental funds 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 School 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.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District did not have any Fiduciary Funds.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following chart depicts the School District's statement of net position. This statement combines all funds of the District as required by GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This is a change from reporting each fund individually in the financial statements.

**Bemus Point Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Condensed Statement of Net Position (in thousands of dollars)

	Governmental Activities and Total School District		
	As restated 6/30/2025	6/30/2024	Percentage Change
Current and Other Assets	\$ 7,841	\$ 5,657	38.6%
Capital Assets	24,231	24,290	-0.2%
Net pension asset-proportionate share	900	-	100.00%
Total Assets	32,972	29,947	10.1%
Deferred Outflows of Resources	2,667	3,222	-17.2%
Total Assets and Deferred Outflows of Resources	35,639	33,169	7.4%
Long-Term Debt Outstanding	16,137	17,523	-7.9%
Other Liabilities	3,784	1,092	246.5%
Total Liabilities	19,921	18,615	7.0%
Deferred Inflows of Resources	1,365	936	45.8%
Total Liabilities and Deferred Inflows of Resources	21,286	19,551	8.9%
Net Position			
Net Investment in Capital Assets	12,765	13,890	-8.1%
Restricted	4,124	4,112	0.3%
Unrestricted	(2,536)	(4,384)	42.2%
Total Net Position	\$ 14,353	\$ 13,618	5.4%

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

The following chart depicts the School District's changes in net position from operating results. This statement combines all funds of the District as required by GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This is a change from reporting each fund individually in the financial statements. Additionally, revenues that are received as a direct result of expenses are stated separately.

As depicted in the following table,

Charges for services decreased due to the fact that the lunch program changed to community eligible in the District in 2023-2024 which reduced the amount of paid lunch and breakfast in 2024-2025.

Operating grants decreased due to a decrease in federal revenue from covid relief funds, and a reduction in NYS State building Aid.

General support expenditures increased due to increases in wages that were previously paid by covid relief funds, an increase in utility costs, a new building mechanic and an increase in liability insurance.

Pupil transportation is lower due to fuel costs paid for by Covid relief funds for the summer program and less depreciation expenses.

**Bemus Point Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position from Operating Results (in thousands of dollars)

	Governmental Activities and Total School District		Percentage Change
	Fiscal Year Ended 6/30/2025	Fiscal Year Ended, 6/30/2024 As restated	
Revenues			
Program Revenues			
Charges for Services	\$ 64	\$ 79	-19%
Operating Grants	1,934	2,227	-13%
General Revenues			
Property Taxes	9,273	8,912	4%
Use of Money & Property	329	336	-2%
Sale of property	14	-	100%
Other Tax Items	569	599	-5%
State Formula Aid	6,012	5,737	5%
Federal Aid	136	128	6%
Miscellaneous	186	175	6%
Total Revenues	18,517	18,193	2%
Expenses			
General Support	4,227	3,705	14%
Instruction	12,113	13,458	-10%
Pupil Transportation	543	859	-37%
Debt Service – Interest	602	561	7%
Cost of Sales – Food	296	283	5%
Total Expenses	17,781	18,866	-6%
Increase (Decrease) in Net Position	\$736	(\$673)	9%

**Bemus Point Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

The following chart shows the difference between total cost of services and net cost of services. This difference results from revenues that relate to certain expenditures reducing the expense total as required by GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." The difference between the total cost and net cost for instruction consists of amounts charged for services which include tuition charged to other School Districts and Federal and State grants received. The difference between the total cost and net cost for Pupil transportation is the allocation of state aid for transportation. The difference between the total cost and net cost for the school lunch program includes amounts charged for adult meals and for the purchase of lunches and snacks and Federal and State grants received. The difference between the total cost and net cost for Debt service is the state aid allocated for building aid.

Net Cost of Governmental Activities (in thousands of dollars)

	Total Cost of Services			Net Cost of Services		
	Fiscal Year Ended 6/30/25	Fiscal Year Ended 6/30/24 Restated	Percentage Change	Fiscal Year Ended 6/30/25	Fiscal Year Ended 6/30/24 Restated	Percentage Change
General Support	\$ 4,227	\$3,705	14%	\$ 4,227	\$3,499	21%
Instruction	12,113	13,458	-10%	11,316	12,412	-9%
Pupil Transportation	543	859	-37%	(12)	336	-104%
Debt Service – Interest	602	561	7%	291	165	76%
Cost of Sales – Food	296	283	5%	(40)	(56)	-29%
Total	\$ 17,781	\$18,866	-6%	\$ 15,782	\$16,356	-4%

**Bemus Point Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As of June 30, 2025, the District had an unassigned fund balance in the general fund of \$687,257. This represents 3.89% of the next fiscal year's budget. The District set aside \$607,122 to reduce the tax levy for the 2025-2026 fiscal year. It continued a Reserve for Employee Benefit Accrued Liabilities in the amount of \$106,522. The Reserve for Workers' Compensation is currently at \$62,936. The Reserve for Unemployment is currently at \$216,364, Reserve for Retirement Contributions - ERS is currently at \$270,197, Reserve for Retirement Contributions - TRS is currently at \$500,910, Insurance Reserve is \$288,780 and the Capital Reserve is currently at \$496,436. The debt service fund additionally includes a reserve for debt in the amount of \$848,431. Total reserves are currently at \$2,790,576.

General Fund Budgetary Highlights

During the 2024-2025 school year, significant changes between the original budget and the actual expenditures occurred in a few areas in the General Fund (Non-GAAP Basis):

- ✓ Central Services had final expenditures of \$1,376,260 compared to a final budget of \$1,444,334. The favorable variance of \$67,647 after encumbrances of \$427 resulted from less operations and maintenance costs.
- ✓ Special Items had final expenditures of \$452,733. The unfavorable variance of \$92,983 resulted from unbudgeted judgements and claims from a reduction in the UPK grant and a reassessment of taxes.
- ✓ Instruction, Administration & improvement had final expenditures of \$500,172 as compared to a final budget of \$568,898. The favorable variance of \$48,726 after \$20,000 of encumbrances resulted from more salaries being absorbed by our Title Grants than originally planned.
- ✓ Instructional Media had final expenditures of \$487,037. The favorable variance of \$51,035 resulted from not purchasing items as originally planned.
- ✓ Pupil Services had final expenditures of \$671,143 as compared to a final budget of \$711,342. The favorable variance of \$38,928 after encumbrances of \$1,271 resulted from the open position of an Elementary School Counselor not being replaced until April 2025 with a School Social Worker.
- ✓ Pupil Transportation had final expenditures of \$640,504, compared to a final budget of \$745,492. The favorable variance of \$104,988 resulted from less fuel charges and a decrease in parts purchased.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights -concluded

- ✓ Employee benefits had a final expenditure of \$3,464,760 compared to a final budget of \$3,603,236. The favorable variance of \$138,476 resulted from changes in insurance elections of employees and less expenses incurred for TRS costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District purchased two busses that were financed with bond anticipation notes, conducted a capital outlay project for paving the parking lot and outdoor lights, purchased some technology equipment, added cabling, continued with the 2023 capital project which included renovations to the cafeteria, repainting the track, replacing classroom unit ventilators and upgrading the elevator.

Long-Term Debt

Bond Rating: The Bemus Point Central School District had an Aa3 rating from Moody's rating.

Debt Retired: The District retired \$1,179,195 of debt in the fiscal year 2024-2025.

See Notes 8 and 9 for additional information on the debt of the District.

**Bemus Point Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- ❖ Federal Covid-19 aid has ended which presents a challenge to maintain additional programs that were funded by this Aid
- ❖ Proposed changes in State Aid as well as educational standards that could materially affect programs provided by the District and the District's financial position.
- ❖ Statewide student enrollment is falling.
- ❖ Retirement system contribution rates for the New York State Teachers' Retirement System (TRS) and the New York State Employees' Retirement System (ERS) have fluctuated dramatically over the last several years. In the coming year, the TRS average rate will be 9.59% and the ERS average rate will be 16.5% of the applicable payroll.
- ❖ The District anticipates increased costs in future years due to the current inflationary economy which will impact future supplies and contractual purchases.
- ❖ On June 24, 2011 Chapter 97 of the laws of 2011 was signed into law creating a limit on school District and local government tax levies. Chapter 97 took effect for fiscal years beginning in January 2012. Chapter 97 limits the *tax levy growth factor* to the lesser of 2% or CPI of the adjusted prior year tax levy. The calculation of the adjusted tax levy limit also includes a tax base growth factor, certain exclusions; for example, increases in retirement plan required contributions of 2 percentage points over the previous year's required contribution, and allows for a carryover of the amount under the tax levy limit in the previous fiscal year. The District complied with the Tax Cap since inception.

Bemus Point Central School District Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025
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CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Bemus Point Central School District, Bemus, New York.

FINANCIAL STATEMENTS

Bemus Point Central School District
Statement of Net Position
June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Cash	
Unrestricted	\$ 4,062,590
Restricted	2,852,818
Receivables	
State and Federal aid	644,009
Due from other governments	251,578
Other receivables	21,104
Inventories	3,555
Prepaid expenses	5,523
Capital assets and right-to-use assets, net	24,230,874
Net pension asset-proportionate share	900,315
Total Assets	32,972,366
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	\$2,608,745
Other postemployment benefits	57,868
Total Deferred Outflows of Resources	2,666,613
Total Assets and Deferred Outflows of Resources	\$ 35,638,979
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	
Payables	
Accounts payable	\$ 151,504
Accrued liabilities	29,486
Accrued Interest	57,288
Unearned Revenue	402,760
Notes payable	
Bond anticipation	3,142,000
Long-term liabilities	
Due and payable within one year	
Bonds payable	1,060,000
Energy Performance Contract	86,758
Compensated absences payable	460,714
Due to Employees' Retirement System	77,879
Due to Teachers' Retirement System	649,806
Due and payable after one year	
Other postemployment benefits payable	3,543,717
Energy Performance Contract	204,983
Compensated absences payable	934,458
Net pension liability-proportionate share	1,006,453
Bonds payable	8,112,244
Total Liabilities	19,920,050
DEFERRED INFLOWS OF RESOURCES	
Pensions	1,168,911
Other postemployment benefits	196,197
Total Deferred Inflows of Resources	1,365,108
NET POSITION	
Net investment in capital assets	12,765,061
Restricted	4,124,272
Unrestricted (Deficit)	(2,535,512)
Total Net Position	14,353,821
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 35,638,979

See Accompanying Independent Auditors' Report and Notes to Financial Statements.

Bemus Point Central School District
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS				
General support	\$ 4,226,798	\$ -	\$ -	\$ (4,226,798)
Instruction	12,113,120	35,251	761,691	(11,316,178)
Pupil transportation	542,567	-	554,954	12,387
Community Service	-	-	-	-
Debt service	601,903	-	310,614	(291,289)
School lunch program	295,501	28,797	306,290	39,586
Total Functions and Programs	\$ 17,779,889	\$ 64,048	\$ 1,933,549	(15,782,292)
GENERAL REVENUES				
Real property taxes				9,273,261
Other tax items				568,792
Use of money and property				328,755
Sale of property and compensation for loss				13,840
Miscellaneous				186,019
State sources				6,011,655
Medicaid reimbursement				135,986
Total General Revenues				16,518,308
Change in Net Position				736,016
Total Net Position - Beginning of year				14,802,765
Prior period adjustment, Note 17				(1,184,960)
Total Net Position - End of year				\$ 14,353,821

Bemus Point Central School District
Balance Sheet - Governmental Funds
June 30, 2025

	Major				Non-Major		
	General	Special Aid	School Lunch	Capital Project	Debt Service Fund	Miscellaneous Special Revenue	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	\$ 1,421,530	\$ 20	\$ 225,297	\$ 2,402,087		\$ 13,656	\$ 4,062,590
Restricted	1,942,145	-	-	-	848,431	62,242	2,852,818
Receivables							
Accounts receivable	21,104	-	-	-	-	-	21,104
Due from other funds	292,712	-	-	-	-	-	292,712
State and Federal aid	126,673	299,225	24,182	193,929	-	-	644,009
Due from other governments	251,578	-	-	-	-	-	251,578
Inventories	-	-	3,555	-	-	-	3,555
Prepays	5,523	-	-	-	-	-	5,523
Total Assets	\$ 4,061,265	\$ 299,245	\$ 253,034	\$ 2,596,016	\$ 848,431	\$ 75,898	\$ 8,133,889
LIABILITIES							
Payables							
Accounts payable	\$ 62,047	\$ 6,533	\$ 22,584	\$ 60,187	\$ -	\$ 153	\$ 151,504
Accrued liabilities	29,486	-	-	-	-	-	29,486
Unearned Revenue	-	-	2,760	400,000	-	-	402,760
Due to other funds	-	292,712	-	-	-	-	292,712
Due to other governments	-	-	-	-	-	-	-
Due to Teachers' Retirement System	649,806	-	-	-	-	-	649,806
Due to Employees' Retirement System	77,879	-	-	-	-	-	77,879
Notes payable							
Bond Anticipation	-	-	-	3,142,000	-	-	3,142,000
Total Liabilities	819,218	299,245	25,344	3,602,187	-	153	4,746,147
FUND BALANCES							
Reserved:							
Nonspendable	5,523	-	3,555	-	-	-	9,078
Restricted	1,942,145	-	-	-	848,431	-	2,790,576
Committed	-	-	-	-	-	75,745	75,745
Assigned	607,122	-	224,135	-	-	-	831,257
Unassigned	687,257	-	-	(1,006,171)	-	-	(318,914)
Total Fund Balances	3,242,047	-	227,690	(1,006,171)	848,431	75,745	3,387,742
Total Liabilities and Fund Balances	\$ 4,061,265	\$ 299,245	\$ 253,034	\$ 2,596,016	\$ 848,431	\$ 75,898	\$ 8,133,889

Bemus Point Central School District
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash - unrestricted	\$ 4,062,590	\$ -	\$ -	\$ 4,062,590
Cash - restricted	2,852,818	-	-	2,852,818
Due from other funds	292,712	-	(292,712)	-
Due from fiduciary funds	-	-	-	-
State & Federal aid receivable	644,009	-	-	644,009
Due from other governments	251,578	-	-	251,578
Other receivables	21,104	-	-	21,104
Inventories	3,555	-	-	3,555
Prepays	5,523	-	-	5,523
Land, buildings and equipment (net)	-	24,230,874	-	24,230,874
Net pension asset-proportionate share	-	900,315	-	900,315
Total Assets	8,133,889	25,131,189	(292,712)	32,972,366
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	2,608,745	-	2,608,745
OPEB (GASB 75)	-	57,868	-	57,868
Total Deferred Outflows of Resources	-	2,666,613	-	2,666,613
Total Assets and Deferred Outflows of Resources	\$ 8,133,889	\$ 27,797,802	\$ (292,712)	\$ 35,638,979
LIABILITIES				
Accounts payable	\$ 151,504	\$ -	\$ -	\$ 151,504
Accrued liabilities	29,486	57,288	-	86,774
Unearned revenue	402,760	-	-	402,760
Retainage Payable	-	-	-	-
Bond anticipation notes payable	3,142,000	-	-	3,142,000
Bonds payable	-	9,172,244	-	9,172,244
Energy Performance Contract	-	291,741	-	291,741
Compensated absences payable	-	1,395,172	-	1,395,172
Due to other funds	292,712	-	(292,712)	-
Due to Teachers' Retirement System	649,806	-	-	649,806
Due to Employees' Retirement System	77,879	-	-	77,879
Due to other governments	-	-	-	-
Other postemployment benefits	-	3,543,717	-	3,543,717
Net pension liability-proportionate share	-	1,006,453	-	1,006,453
Total Liabilities	4,746,147	15,466,615	(292,712)	19,920,050
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	1,168,911	-	1,168,911
OPEB (GASB 75)	-	196,197	-	196,197
Total Deferred Inflows of Resources	-	1,365,108	-	1,365,108
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	3,387,742	10,966,079	-	14,353,821
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	\$ 8,133,889	\$ 27,797,802	\$ (292,712)	\$ 35,638,979

**Bemus Point Central School District
Reconciliation of the Balance Sheet
to the Statement of Net Position- Governmental Funds
For the Year Ended June 30, 2025**

Fund Balances - total governmental funds		\$ 3,387,742
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets and right-to-use assets	\$ 48,915,609	
Less accumulated depreciation	(24,684,735)	
		24,230,874
Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as and expenditure when due	(57,288)	(57,288)
The School District's proportionate share of the Employee Retirement Systems' collective net pension asset or liability is not reported in the funds.		
TRS net pension asset - proportionate share	900,315	
ERS net pension liability - proportionate share	(1,006,453)	
		(106,138)
Deferred outflows of resources, including deferred charges on defeasance debt, OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds.		
Deferred inflows of resources, including OPEB, and pensions, represents an acquisition of net position that applies to future periods, and therefore, is not reported in the funds.		
ERS deferred outflows of resources - pension	471,440	
ERS deferred inflows of resources - pension	(37,873)	
TRS deferred outflows of resources - pension	2,137,305	
TRS deferred inflows of resources - pension	(1,131,038)	
Deferred outflows of resources - OPEB	57,868	
Deferred inflows of resources - OPEB	(196,197)	
		1,301,505
Long-term liabilities including bonds payable, compensated absences and post-employment benefits are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(1,395,172)	
Other post employment benefits	(3,543,717)	
Energy performance contract	(291,741)	
Bonds payable	(9,172,244)	
		(14,402,874)
Net position of governmental activities		\$ 14,353,821

Bemus Point Central School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major				Non-Major		
	General	Special Aid	School Lunch	Capital Project	Debt Service Fund	Miscellaneous Special Revenue	Total Governmental Funds
REVENUES							
Real property taxes	\$ 9,273,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,273,261
Other tax items	568,792	-	-	-	-	-	568,792
Charges for services	35,251	-	-	-	-	-	35,251
Use of money and property	235,308	-	7,072	-	71,844	-	314,224
Sale of property and compensation for loss	13,840	-	-	-	-	-	13,840
Miscellaneous	98,423	-	-	-	-	87,596	186,019
State sources	6,415,084	180,713	137,820	193,929	-	-	6,927,546
Medicaid reimbursement	135,986	-	-	-	-	-	135,986
Federal sources	-	849,188	168,470	-	-	-	1,017,658
Sales - school lunch	-	-	28,797	-	-	-	28,797
Total Revenues	16,775,945	1,029,901	342,159	193,929	71,844	87,596	18,501,374
EXPENDITURES							
General support	2,371,478	-	-	-	-	89,071	2,460,549
Instruction	8,442,896	1,044,323	-	-	-	-	9,487,219
Pupil transportation	640,504	-	-	-	-	-	640,504
Community Service	-	-	-	-	-	-	-
Employee benefits	3,464,760	-	-	-	-	-	3,464,760
Debt service							
Principal	1,471,195	-	-	-	-	-	1,471,195
Interest	514,351	-	-	-	-	-	514,351
Cost of sales	-	-	295,501	-	-	-	295,501
Capital outlay	-	-	-	1,004,391	-	-	1,004,391
Total Expenditures	16,905,184	1,044,323	295,501	1,004,391	-	89,071	19,338,470
Excess/(Deficiency) of Revenues over Expenditures	(129,239)	(14,422)	46,658	(810,462)	71,844	(1,475)	(837,096)
Other Financing Sources and (Uses):							
Premium on obligation	-	-	-	-	14,531	-	14,531
Proceeds of debt	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-
BANs redeemed from appropriations	-	-	-	292,000	-	-	292,000
Transfers to other funds	(114,422)	-	(8,130)	(4,468)	(35,000)	-	(162,020)
Transfers from other funds	43,130	14,422	-	100,000	4,468	-	162,020
Total Other Sources (Uses)	(71,292)	14,422	(8,130)	387,532	(16,001)	-	306,531
Excess/(Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(200,531)	-	38,528	(422,930)	55,843	(1,475)	(530,565)
Fund Balances(deficit), Beginning of Year ,	3,442,578	-	189,162	(583,241)	792,588	77,220	3,918,307
Fund Balances (deficit), End of Year	\$ 3,242,047	\$ -	\$ 227,690	\$ (1,006,171)	\$ 848,431	\$ 75,745	\$ 3,387,742

Bemus Point Central School District
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities
For the Year Ended June 30, 2025

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Eliminations and Reclassifications	Statement of Activities Totals
REVENUES						
Real property taxes	\$ 9,273,261	\$ -	\$ -	\$ -	\$ -	\$ 9,273,261
Other tax items	568,792	-	-	-	-	568,792
Charges for services	35,251	-	-	-	-	35,251
Use of money and property	314,224	-	-	-	14,531	328,755
Sale of property and compensation for loss	13,840	-	-	-	-	13,840
Miscellaneous	186,019	-	-	-	-	186,019
State sources	6,927,546	-	-	-	-	6,927,546
Medicaid reimbursement	135,986	-	-	-	-	135,986
Federal sources	1,017,658	-	-	-	-	1,017,658
Sales - school lunch	28,797	-	-	-	-	28,797
Total Revenues	18,501,374	-	-	-	14,531	18,515,905
EXPENDITURES/EXPENSES						
General support	2,460,549	-	1,204,978	-	561,271	4,226,798
Instruction	9,487,219	-	142,241	-	2,483,660	12,113,120
Pupil transportation	640,504	-	(283,439)	-	185,502	542,567
Community Service	-	-	-	-	-	-
Employee benefits	3,464,760	(234,327)	-	-	(3,230,433)	-
Debt service	1,985,546	-	-	(1,091,643)	(292,000)	601,903
Capital outlay	1,004,391	-	(1,004,391)	-	-	-
Cost of sales	295,501	-	-	-	-	295,501
Total Expenditures	19,338,470	(234,327)	59,389	(1,091,643)	(292,000)	17,779,889
Excess (Deficiency) of Revenues Over Expenditures	(837,096)	234,327	(59,389)	1,091,643	306,531	736,016
OTHER SOURCES AND USES						
Operating transfers in	162,020	-	-	-	(162,020)	-
Operating transfers (out)	(162,020)	-	-	-	162,020	-
Premium on obligation	14,531	-	-	-	(14,531)	-
BANs redeemed from appropriations	292,000	-	-	-	(292,000)	-
Total Other Sources (Uses)	306,531	-	-	-	(306,531)	-
Net Change for the Year	\$ (530,565)	\$ 234,327	\$ (59,389)	\$ 1,091,643	\$ -	\$ 736,016

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Bemus Point Central School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies used by the District are described below:

A. Reporting Entity

The Bemus Point Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of five members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units, and GASB Statement 61, The Financial Reporting Entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component units and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the 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 description of certain entities included in the District's reporting entity:

1. **Extraclassroom Activity Funds**

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found on page 80 of this report. The District accounts for the Extraclassroom Activity Fund in the Miscellaneous Special Revenue Funds.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

B. Joint Venture

The Bemus Point Central School District is one of 27 component School Districts in the Erie 2 - Chautauqua/Cattaraugus Board of Cooperative Educational Services (BOCES). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under Section 1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the New York State Education Law. 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 New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$2,033,617 for BOCES administrative and program costs.

Participating school districts issue debt on behalf of BOCES. During the year, the District issued no serial bonds on behalf of BOCES. As of year-end, the District had no outstanding BOCES debt.

The District's share of BOCES aid, rental charges and refunds amounted to approximately \$456,911 for the year ended June 30, 2025.

Financial statements for the Chautauqua-Cattaraugus BOCES are available from the BOCES administrative office in Angola, 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.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

1. District-wide statements (Continued):

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. 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 statements:

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

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. The District reports the following major governmental funds:

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

2. Fund statements (Continued):

Special Revenue Funds: These funds account for the proceeds of specific revenue sources such as Federal and State grants that are legally restricted to expenditures for specified purposes, child nutrition and school store operations or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The Special Revenue Funds classified as major are:

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal Funds or State or Local Grants.

School Food Service Fund: Use to account for transactions of the lunch and breakfast programs.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following non major governmental funds:

Miscellaneous Special Revenue: Is used to account for and report those revenues that are committed (extraclassroom activities) to expenditures for specific purpose.

Fiduciary Funds: 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. The District does not have any activities that qualify for reporting as fiduciary.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting

Measurement focus describes what type of information is reported and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available resources (e.g. compensated absences for employees still active service) would not be reported.

Basis of accounting describes when changes are recognized and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

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, state aid, 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 state aid is recognized in the fiscal year it is appropriated by the state. 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 one year after the end of the fiscal year as it matches the liquidation of related obligations 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. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until available. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain 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, pensions, and other post-employment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 12. Taxes were collected during the period September 1, through November 20, 2024.

Uncollected real property taxes are subsequently enforced by Chautauqua County, in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

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

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

G. Interfund Transactions (Continued)

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 12 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash, Cash Equivalents, and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

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. 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 Districts.

Investments are stated at fair value.

J. Accounts Receivable

Receivables are shown net of an allowance for uncollectible accounts, when applicable. An allowance for uncollectible accounts represents the portion of accounts receivable that is not expected to be collected within 365 days.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

K. Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

L. Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M. Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2003. For assets acquired prior to July 1, 2003, estimated historical costs, based on appraisals conducted by independent third party professionals, were used. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. 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 are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$50,000	Straight - line	15-40 years
Furniture and equipment	\$ 5,000	Straight - line	3-7 years

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

N. Deferred Outflows and Inflows 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. If applicable, the District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second 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 liability 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 third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth 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. The fifth is the deferred inflows of resources related to lease receivable, which are reported in the District-Wide Statement of Net Position as well as in the general fund.

O. Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave and/or a credit towards their health insurance obligation.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

O. Compensated Absences (Continued)

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination, or death.

Certain collectively bargained agreements require these payments to be paid in the form of non-elective contributions into the employee's section 403(b) plan.

In the district-wide financial statements, the District recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to the leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at the employee's rate of pay at the reporting date, including salary-related payments such as social security and Medicare taxes.

In the fund statements, a liability is reported only for payments due for the unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

The District has recorded an estimated liability in the government-wide financial statements amounting to approximately \$1,395,172 to recognize the cost of the 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 District-wide financial statements.

P. Post-Employment Benefits

In addition to the retirement benefits described in Note 10, the District provides post-employment health insurance coverage to certain retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. The District recognizes the net cost of providing health insurance in the governmental funds when paid. The Statement of Net position reports the computed District liability at year-end and the Statement of Activities reports the net increase or decrease in the liability as expense.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

Q. Other Benefits

District employees participate in the New York State Teachers' Retirement System or the New York State and Local Employees' Retirement System. District employees may also choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

R. Short-term Debt

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), 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. BANs that are replaced with long-term financing or renewed subsequent to the year-end but before the issuance of the financial statements are treated as long-term liabilities, as these notes will not require the use of working capital during that period. State law requires that BANS issued for capital purposes be converted to long-term financing within five years after the original issue date.

S. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in full, in a timely manner, from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

T. Equity Classifications

District-wide statements:

In the district-wide statements, there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net position – reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Funds statements:

In the fund basis statements there are five classifications of fund balance:

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of \$3,555 and prepaid expenses in the General Fund of \$5,523 for a total of \$9,078.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

Debt Reserve Fund

According to General Municipal Law §6-I, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

T. Equity Classifications (Continued)

Funds statements (Continued):

Restricted (Continued):

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund.

State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Unemployment Insurance Payment Reserve Fund

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The 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 either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

T. Equity Classifications (Continued)

Funds statements (Continued):

Restricted (Continued):

Workers' Compensation Reserve Fund

According to General Municipal Law §6-j, all expenditures made from the workers' compensation reserve must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. 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 either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

Capital Reserve Fund

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

Insurance Reserve Fund

According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the general fund.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

T. Equity Classifications (Continued)

Funds statements (Continued):

Restricted (Continued):

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balance includes the following:

General Fund Reserves for:

Workers' Compensation	\$ 62,936
Unemployment Insurance	216,364
Retirement Contribution – NYSERS	270,197
Retirement Contribution – NYSTRS	500,910
Employee Benefit Accrued Liability	106,522
Capital	496,436
Insurance	288,780
Debt Service Fund	848,431
Total Restricted Funds	<u>\$ 2,790,576</u>

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

T. Equity Classifications (Continued)

Funds statements (Continued):

Restricted (Continued):

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Districts highest level of decision making authority, i.e., the Board of Education. The District has committed funds of \$75,745 in the Special Revenue Fund related to Extraclassroom Activities and other restricted use funds.

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$25,472. Appropriated fund balance in the General Fund amounted to \$581,650. Any remaining fund balance in other funds is considered assigned. The school lunch fund also reports assigned fund balance of \$224,135. As of June 30, 2025, the District's General Fund encumbrances were classified as follows:

General support:	\$ 2,912
Instruction	22,560
Pupil Transportation	-
Total	<u>\$ 25,472</u>

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from financing bus purchases with bond anticipation notes.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

T. Equity Classifications (Continued)

Funds statements (Continued):

Restricted (Continued):

The Capital Projects Fund had a deficit fund balance of \$1,006,171. This will be funded when the District pays for bus bond anticipation notes.

Net Position/Fund Balance:

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the district wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

The Board of Education will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

U. Implementation of New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standards issued by GASB.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (Continued)

U. Implementation of New Accounting Standards (Continued)

GASB Statement No. 101, Compensated Absences, effective for the year ended June 30, 2025. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has not been used, but not yet paid in cash or settled through noncash means. This liability would include leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As a result of implementing GASB 101 the compensated absences liability for June 30, 2024 was restated from \$199,649 to \$1,384,609. This resulted in a cumulative effect of \$1,184,960 reduction of net position due to the adoption of GASB 101. See Note 17.

GASB has issued Statement No. 102, Certain Risk Disclosures, effective for the year ending June 30, 2025. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 103, Financial Reporting Model Improvements, effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also address certain application issues.

GASB has issued Statement No. 104, Disclosure of Certain Capital Assets, effective for the year ending June 30, 2026. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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 funds 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 District-wide statements, compared with the current financial resources focus of the governmental funds.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 2 – Explanation of Certain Differences Between Governmental Fund Statements and District-Wide Statements (Continued)

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 Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

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

1. Long-term revenue and expense 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 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 items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

**Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025**

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)

4. Pension differences:

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and 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 – Changes in Accounting Principles

For the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, Compensated Absences. The implementation of the statement establishes criteria for identifying activities of all school districts. See note 17 for the financial statement impact of the implementation of the statement.

Note 4 – Stewardship, Compliance and Accountability

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 4 – Stewardship, Compliance and Accountability (Continued)

Budgets (Continued)

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2025.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

Note 5 – Cash (and cash equivalents) - Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks

Cash and Investments

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution or its trust department or agent, but not in the District's name	\$ 3,919,581

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$1,421,530 restricted for various fund balance reserves in the general fund, \$848,431 restricted for debt service in the debt service fund.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 5 – Cash (and cash equivalents) - Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks (Continued)

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2025 all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest rate

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 5 – Cash (and cash equivalents) - Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks (Continued)

Custodial Credit Risk (Continued)

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

Investments

The District does not typically purchase investments for long enough duration to cause it to purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

The District participates in Cooperative Liquid Assets Security System – New York (NYCLASS), a multi-municipal investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2025, the District held \$3,653,951 in these investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments: The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investments and collateral policies are in accordance with New York State General Municipal Law, Sections 10 and 11.

Total investments of the cooperative as of year-end are \$14,121,818,326 which consists of \$3,819,691,492 in repurchase agreements, \$97,104,499,478 in U.S. Government Guaranteed Securities, and \$591,627,356 in collateralized bank deposits with various interest rate and due dates.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instructions could result in a different fair value measurement at the reporting date.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 5 – Cash (and cash equivalents) - Custodial Credit, Concentration of Credit, Interest Rate and Foreign Currency Risks (Continued)

Investments (Continued)

The following amounts on deposit at NYCLASS are included as cash and cash equivalents:

<u>Fund</u>	<u>Carrying Amount</u>
General Fund	\$3,653,951

The above amounts represent the fair value of the investment pool shares the District invested in. For the year ended June 30, 2025, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning NYCLASS, including the annual report can be found on its website at www.newyorkclass.org.

Note 6 – Receivables

Receivables at year-end for individual major funds and non-major funds are as follows:

<u>Governmental Activities</u>					
Description:	General	Special Aid	School Food Service	Capital	Total
State and Federal Aid	\$ 126,673	\$ 299,225	\$ 24,182	\$ 193,929	\$ 644,009
Accounts Receivable	21,104	-	-	-	21,104
Due from other governments	251,578	-	-	-	251,578
	\$ 399,355	\$ 299,225	\$ 24,182	\$ 193,929	\$ 916,691

District management has deemed the amounts to be fully collectible.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 7 – Capital Assets

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 72,700	\$ -	\$ -	72,700
Construction in progress	129,662	-	(129,662)	-
Total non-depreciable assets	202,362	-	(129,662)	72,700
Capital assets that are depreciated:				
Building and Land improvements	42,274,635	917,443	-	43,192,078
Furniture and equipment	1,728,541	49,750	(13,594)	1,764,697
Vehicles	2,878,973	538,149	(233,280)	3,183,842
Total depreciable historical cost	46,882,149	1,505,342	(246,874)	48,140,617
Less accumulated depreciation:	23,269,375	1,408,071	(246,890)	24,430,556
Total depreciable assets, net	\$ 23,612,774	\$ 97,271	\$ 16	\$ 23,710,061
Right-to- use assets:				
Equipment	\$ 716,354	\$ 118,603	\$ (132,665)	\$ 702,292
Less Accumulated Amortization	(241,227)	(116,730)	103,778	(254,179)
Total Right to use Asset, net	\$ 475,127	\$ 1,873	\$ (28,887)	\$ 448,113
Total Capital Asset Balances	\$ 24,290,263	\$ 94,144	\$ (158,533)	\$ 24,230,874

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 7 – Capital Assets-(Continued)

Right-to-use lease assets result from the acquisition of equipment through BOCES and are considered to be a lease arrangement even though the District pays 100% for the asset. The Asset is owned by BOCES as BOCES receives BOCES Aid on the cost of the assets. In some instances, the District may have an installment purchase agreement which results in a lease liability. The District amortizes the right-to-use assets over a five year period, with no amortization in the year of acquisition. The District did not have an installment purchase agreement at June 30, 2025.

Depreciation and Amortization expense was charged to governmental functions as follows:

General Support	\$ 1,075,332
Instruction	194,759
Pupil Transportation	254,710
	<u>\$ 1,524,801</u>

Note 8 – Short-term Debt

Transactions in short-term debt for the year are summarized below:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	06/2026	4.0%	\$ 921,000	\$ 2,513,000	\$ 292,000	\$ 3,142,000

Interest on short-term debt for the year was composed of interest paid of \$41,215.

Note 9 – Long-term Debt Obligations

Long-term liability balances and activity for the year are summarized below:

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

Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 9 – Long-term Debt Obligations (Continued)

Noncurrent liability balances and activity are as follows:

	Beginning Balance	Additions	Refunding/ Reductions	Ending Balance	Amounts Due Within One Year
Government activities: Bonds and notes payable: General obligation debt:					
Building serial bonds	\$ 10,240,000	\$ -	\$ 1,095,000	\$ 9,145,000	\$ 1,060,000
Unamortized bond premiums	31,995		4,751	27,244	-
Energy performance contract	375,936	-	84,195	291,741	86,758
Total bonds & notes payable	10,647,931	-	1,183,946	9,463,985	-
Other liabilities					
Compensated absences & health care (As Restated)	1,384,609	10,563	-	1,395,172	460,714
Net pension liabilities	1,231,911	-	225,458	1,006,453	-
Other post-employment benefit	3,578,208	-	34,491	3,543,717	-
Total long-term liabilities	\$16,842,659	\$ 10,563	\$ 1,443,895	\$15,409,327	\$ 1,607,472

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences.

Bonds payable is comprised of the following:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding June 30, 2025
Serial Bonds	6/2018	6/2033	5.00%	\$ 7,695,000
Serial Bonds	6/2021	6/2036	2.00%	1,450,000
Unamortized Bond Premium				27,244
Total Serial Bonds				\$ 9,172,244

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 9 – Long-term Debt Obligations (Continued)

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

The following is a summary of debt service requirements for bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,060,000	\$ 13,750	\$ 1,473,750
2027	1,105,000	364,350	1,469,350
2028	1,155,000	312,700	1,467,700
2029	1,210,000	258,700	1,468,700
2030	1,265,000	201,950	1,466,950
2031-2035	3,205,000	276,650	3,481,650
2036	145,000	2,900	147,900
Total	\$ 9,145,000	\$ 1,831,000	\$ 10,976,000

Bond premiums and amortization:

Premiums resulting from bond and other debt refinancing are being amortized over the life of the related debt.

Energy Performance Contract and Maturity:

In 2013, the District issued a \$1,139,038 energy performance contract at an interest rate of 3.01 % and final maturity date of September 15, 2028. Principal and interest are payable quarterly. Total interest incurred on the energy performance contract during the current year was \$10,371. The following is the amortization schedule:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 86,758	\$ 7,808	\$ 94,566
2027	89,398	5,167	94,565
2028	92,120	2,446	94,566
2029	23,465	177	23,642
Total	\$ 291,741	\$ 15,598	\$ 307,339

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 10 – Pension Obligations

General information:

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.

Provisions and administration:

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

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 (NYSRSSL). 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.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 10 – Pension Obligations (Continued)

Funding policies:

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:

<u>Contributions</u>	<u>TRS</u>	<u>ERS</u>
2025	\$596,698	\$202,316
2024	\$562,327	\$183,212
2023	\$577,000	\$190,000

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

At June 30, 2025, the District reported the following (asset)/liability for its proportionate share of the net pension (asset) /liability for each of the Systems. The net pension (asset)/liability was measured as of June 30, 2022 for TRS and March 31, 2022 for ERS. 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.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 10 – Pension Obligations (Continued)

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2024	March 31, 2025
District's proportionate share of the net pension (asset)/liability	\$ (900,315)	\$ 1,006,453
District's portion of the Plan's total net pension (asset)/ liability	.030175%	.00587%
Change in proportion since the prior measurement date	\$ 1,247,367	\$ 647,091

At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 969,474	\$ 249,808	\$ -	\$ 11,784
Changes of assumptions	538,571	42,209	90,593	-
Net difference between projected and actual earnings on pension plan investments	-	78,964	1,000,327	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	32,562	22,580	40,118	26,089
District's contributions subsequent to the measurement date	<u>596,698</u>	<u>77,879</u>	<u>-</u>	<u>-</u>
Total	<u>\$2,137,305</u>	<u>\$ 471,440</u>	<u>\$1,131,038</u>	<u>\$ 37,873</u>

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 10 – Pension Obligations (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>TRS</u>	<u>Year Ended</u>	<u>ERS</u>
2025	\$ (465,503)	2026	\$ 178,717
2026	\$ 1,103,498	2027	\$ 258,301
2027	\$ (179,548)	2028	\$ (85,813)
2028	\$ (202,272)	2029	\$ 4,482
2029	\$ 112,388	2030	\$ -
Thereafter	\$ 46,006	Thereafter	\$ -

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:

	TRS	ERS
Measurement date	June 30, 2024	March 31, 2025
Actuarial valuation date	June 30, 2023	April 1, 2024
Interest Rate	6.95%	5.9%
Salary Scale	Rates of increase Differ based on service	4.3%
	Service	Rate
	5	5.18%
	15	3.64%
	25	2.50%
	35	1.95%
Decrement tables	July 1, 2015-June 30, 2020 System's Experience	April 1, 2015-March 31, 2020 System's Experience
Inflation Rate	2.4%	2.9%

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 10 – Pension Obligations (Continued)

Actuarial Assumptions (Continued)

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

For ERS, the actuarial assumptions used in the April, 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

The long term expected 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 the target asset allocation percentage and by adding expected inflation.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 10 – Pension Obligations (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

	Target Allocation	Long-term expected Real rate of return*
ERS	2025	2025
Asset Class:		
Domestic equities	25%	3.54%
International equities	14	6.57
Private equities	15	7.25
Real estate	12	4.95
Opportunistic/ARS Portfolio	3	5.25
Credit	4	5.40
Real assets	4	5.55
Domestic Fixed Income Securities	22	2.0
Cash	1	.25
Total	100%	
*Real rates of returns are net of the long-term inflation assumption of 2.9% for 2025.		
(1)Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equities and international equities, respectively.		

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 10 – Pension Obligations (Continued)

Actuarial Assumptions (Continued)

	Target Allocation	Long-term expected Real rate of return*
TRS	2024	2024
Asset Class:		
Domestic equities	33%	6.6%
International equities	15	7.4
Real Estate	11	6.3
Private equities	9	10.0
Domestic Fixed Income Securities	16	2.6
Global Bonds	2	2.5
High Yield Bonds	1	4.8
Global equities	4	6.9
Private Debt	2	5.9
Real Estate Debt	6	3.9
Cash Equivalents	1	.5
Total	100%	
*Real rates of returns are net of the long-term inflation assumption of 2.7% for 2024.		

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.90% 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 determined. Based upon the assumptions, the System's 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).

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2025 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 (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 10 – Pension Obligations (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption (Continued)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate Share of the net pension (asset) liability	\$ 4,158,608	\$ (900,315)	\$ (5,155,005)

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
District's proportionate Share of the net pension (Asset) liability	\$ 2,912,803	\$ 1,006,453	\$ (585,350)

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Income/Expense

Collective pension Income/expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. For the year ended June 30, 2025, the District recognized net pension expense of \$730,323 of this amount \$229,134 was for ERS and \$501,189 was for TRS.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 10 – Pension Obligations (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)	
	TRS	ERS
Valuation date	June 30, 2024	March 31, 2025
Employers' total pension liability	\$ 142,837,827	\$ 247,600,239
Plan fiduciary net position	145,821,435	230,454,512
Employer's net pension (asset) liability	\$ (2,983,608)	\$ 17,145,727
System fiduciary net position as a percentage of total pension liability	102.1%	93.08%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2022 through March 31, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$77,879.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2025 amounted to \$596,698.

Note 11 – Unrestricted Fund Balance:

Unrestricted net position in the general fund consists of the following at June 30, 2025:

Designated for subsequent year's expenditures	\$ 581,650
Reserve for encumbrances	25,472
Unreserved	687,257
Total unrestricted net position general fund	<u>\$ 1,294,379</u>

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 12 – Interfund Transactions – Governmental Funds

Interfund transactions and balances are as follows:

Interfund receivables and payables, other than between governmental activities are eliminated on the statement of net position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 292,712	\$ -	\$ 43,130	\$ 114,422
Special Aid Funds	-	292,712	14,422	-
School Food Service	-	-	-	8,130
Capital Fund	-	-	100,000	4,468
Debt Service	-	-	4,468	35,000
Totals	\$ 292,712	\$ 292,712	\$ 162,020	\$ 162,020

During 2024-25, the General Fund transferred \$100,000 to the Capital Projects Fund for the capital outlay project.

Note 13 – Risk Management

General

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. 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.

Self-insured Plans

The District participates in Chautauqua County School Districts Medical Health Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 19 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to \$375,000 coverage per insured event. The pool obtains independent coverage for insured events in excess of the \$375,000 limit, and the District has essentially transferred all related risk to the pool.

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025

Note 13 – Risk Management (Continued)

Self-insured Plans (Continued)

The District participates in Erie #2 Area Schools Self Funded Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The Erie #2 Area Schools Self Funded Workers' Compensation Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$450,000 per insured event. The Plan obtains independent coverage for insured events in excess of the \$450,000 limit and the District has essentially transferred all related risk to the Plan. The District has no liability for unbilled and open claims in excess of their reserves.

Note 14 – Commitments and Contingencies

Federal and State Grants

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

Note 15 – Post-employment (Health Insurance) Benefits

A. General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 15 – Post-employment (Health Insurance) Benefits (Continued)

A. General Information about the OPEB Plan (Continued)

Funding Policy - The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute 100% of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 5 to 10 years of services to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

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

	Participant Count
Inactive plan members or beneficiaries currently receiving benefit payments	45
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	134
Total plan members	179

B. Total OPEB Liability

The District's last full actuarial valuation was measured as of June 30, 2024; the total OPEB update used to calculate the net OPEB liability was determined by an interim actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other inputs – The total OPEB liability at June 30, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-term bond rate	4.39% (Based on Fidelity Municipal Go AA 20 year bond rate)
Salary Scale	3.30% (Rate of expected payroll increases)
Single Discount Rate	4.39% (Blending of investment rate of return and long-term bond rate)
Healthcare Cost Trend Rates	5.30% for 2025 decrease to an ultimate rate of 3.71% by 2075
Retirees' Share of Benefit-Related Costs	100 percent of projected health insurance premiums for retirees

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 15 – Post-employment (Health Insurance) Benefits (Continued)

B. Total OPEB Liability (Continued)

Mortality rates were based on Pub – 2010 Public Retirement Plan’s mortality tables, headcount – weighted, distinct for teachers, general, and safety, without separate contingent survivor mortality. If retiree classifications are not available, retiree mortality is weighted at a rate of 60% teachers, 40% general, 0% safety.

Participation rate is assumed that 100% of all active employees currently enrolled in the OPEB plan will continue coverage into retirement. 10% of retirees are assumed to continue medical coverage after age 65. Employees who have currently waived coverage are assumed not to re-enter the plan prior to retirement.

Termination rates are based on tables used by the New York State Teachers’ Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate was based on a blending of investment rate of return and the long term bond rate using expected plan benefit payments.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2017 – June 30, 2025.

C. Changes in the Total OPEB Liability

Balance at June 30, 2024	\$ 3,578,208
Changes for the Year	
Service Cost	152,498
Interest	139,551
Changes of benefit terms	1,703
Differences between expected and actual experience in the measurement of the total OPEB liability	(14,196)
Changes in assumptions or other inputs	(89,648)
Benefit payments	(224,399)
Net Change in total OPEB liability	<u>34,491</u>
Total OPEB liability ending	<u>\$ 3,543,717</u>

Changes of benefit terms reflect:

Changes of assumptions and other inputs reflect a change in the discount rate from 3.98 percent in 2024 to 4.39 percent in 2025.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 15 – Post-employment (Health Insurance) Benefits (Continued)

C. Changes in the Total OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the Discount Rate – The following presents the District's 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 (3.39 percent) or 1 percentage point higher (5.39 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	(3.39%)	(4.39%)	(5.39%)
Total OPEB Liability	\$3,798,856	\$3,543,717	\$3,307,093

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 than the current health care cost trend rate:

	<u>Health Care Cost Trend Rates</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	4.3% decrease to 2.71%	5.30% decrease to 3.71%	6.30% decrease to 4.71%
Total OPEB Liability	\$3,191,344	\$3,543,717	3,951,706

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$197,488. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 57,868	\$ 12,732
Changes of assumptions or other inputs	-	183,465
TOTAL	\$ 57,868	\$ 196,197

Bemus Point Central School District Notes to Financial Statements For the Fiscal Year Ended June 30, 2025
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Note 15 – Post-employment (Health Insurance) Benefits (Continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)

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

Fiscal Year Ending June 30,	<u>Total Net Deferrals</u>
2026	\$ (53,653)
2027	(11,041)
2028	(11,041)
2029	(11,041)
2030	(11,041)
Thereafter	(40,512)

The District provides retiree health insurance up to the amount of accrued sick leave with a set maximum number of days multiplied by the retiree's per diem rate. The total accrued amount is recorded as expenditure in the year of retirement and held in the trust and agency fund until exhausted.

Note 16 -Tax Abatements

The County of Chautauqua, enters various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District property tax revenue was frozen for 2023/2025 through 2027/2028 for a parcel located inside the District. The District received Payment in Lieu of Tax (PILOT) payment totaling \$2,760 which reflected zero increase over the prior year for that parcel.

Bemus Point Central School District
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 17 -Change in Accounting Principle – Adoption of GASB Statement No. 101

Effective for the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, Compensated Absences. This Statement establishes a unified model for the recognition and measurement of all types of compensated absences, including vacation, sick leave, and other paid time off.

Under GASB 101, a liability is recognized for leave that:

- Is attributable to services already rendered,
- Accumulates, and
- Is more likely than not to be used for time off or otherwise paid or settled.

This change in accounting principle was applied retroactively by restating the beginning net position of the governmental activities as required by GASB Statement No. 100, Accounting Changes and Error Corrections.

Restatement of Net Position:

Description	Governmental Activities
Net Position, Beginning of Year (as previously reported)	\$ 14,802,765
Cumulative Effect of Adoption of GASB 101	(1,184,960)
Net Position, Beginning of Year (as restated)	<u>\$ 13,617,805</u>

Note 18 – Subsequent Events

The District has reviewed events and transactions that occurred between June 30, 2025 and October 15, 2025 which is the date the financial statements were available to be issued. No events or transactions were noted.

REQUIRED SUPPLEMENTARY SCHEDULES

Required Supplemental Schedule #1

Bemus Point Central School District
Schedules of Changes in the District's Total OPEB Liability and Related Ratios
For the Years Ended June 30, 2025, 2024, 2023, 2022, 2021, 2020, 2019 and 2018

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	No valuation done 6/30/2021	6/30/2020	No valuation done 6/30/2019	6/30/2018
Cost	\$ 152,498	\$ 153,977	\$ 202,000	\$ 202,415	\$ 170,000	\$ 170,012	\$ 119,873	\$
in benefit terms	139,551	130,448	93,000	93,368	108,000	108,324	91,512	
	1,703	-	-	11,611	-	-	-	
ifferences between expected and actual experience measurement of the total OPEB liability	(14,196)	33,819	-	279,181	-	(224,335)	-	
s of assumptions or other inputs	(89,648)	(37,068)	-	(662,685)	-	187,723	-	
payments	(224,399)	(220,588)	(295,000)	(275,564)	(308,000)	(304,731)	(98,262)	
age in total OPEB liability	(34,491)	60,588	-	(351,674)	(30,000)	(63,007)	113,123	
OPEB liability-beginning	3,578,208	3,834,605	3,834,605	3,190,659	3,220,659	3,283,666	2,738,239	
Period Adjustment	-	(316,985)	-	995,620	-	-	-	
OPEB liability - ending	\$ 3,543,717	\$ 3,578,208	\$ 3,834,605	\$ 3,834,605	\$ 3,190,659	\$ 3,220,659	\$ 2,851,362	\$
and Payroll	7,623,686	7,371,578	6,339,094	6,339,094	6,658,452	6,658,452	7,003,473	
OPEB liability as a percentage of covered payroll	46.48%	48.54%	59.92%	59.92%	47.92%	48.37%	40.71%	

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of the discount rate each period. The following are the discount rates used in each period.

6/30/2025	4.39%
6/30/2024	3.98%
6/30/2023	3.78%
6/30/2022	2.83%
6/30/2021	2.27%
6/30/2020	2.48%
6/30/2019	3.44%

See paragraph on supplementary schedules in auditors' report.

Required Supplementary Information
**Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	\$ 9,812,966	\$ 9,812,966	\$ 9,273,261	\$ (539,705)
Other tax items	17,418	17,418	568,792	551,374
Charges for services	30,000	30,000	35,251	5,251
Use of money and property	100,000	100,000	235,308	135,308
Sale of property and compensation for loss	10,000	10,000	13,840	3,840
Miscellaneous	62,500	62,500	98,423	35,923
Total Local Sources	10,032,884	10,032,884	10,224,875	191,991
State sources	6,563,520	6,563,520	6,415,084	(148,436)
Medicaid reimbursements	60,000	60,000	135,986	75,986
Federal sources	-	-	-	-
Total Revenues	16,656,404	16,656,404	16,775,945	119,541
OTHER FINANCING SOURCES				
Transfers from other funds	43,130	43,130	43,130	
Encumbrances	-	71,804		
Appropriated reserves	541,300	666,300		
Total Revenues and Other Financing Sources	\$ 17,240,834	\$ 17,437,638	\$ 16,819,075	

Bemus Point Central School District
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2025

EXPENDITURES	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
General Support					
Board of Education	\$ 8,450	\$ 8,554	\$ 7,335	\$ -	\$ 1,219
Central Administration	217,000	216,916	214,694	-	2,222
Finance	219,000	224,890	221,926	-	2,964
Staff	85,900	105,672	98,530	2,485	4,657
Central Services	1,415,000	1,444,334	1,376,260	427	67,647
Special Items	234,750	359,750	452,733	-	(92,983)
Total General Support	2,180,100	2,360,116	2,371,478	2,912	(14,274)
Instruction					
Instruction, Administration & Improvement	545,950	568,898	500,172	20,000	48,726
Teaching - Regular School	4,505,100	4,549,646	4,533,473	1,289	14,884
Programs for Children with Handicapping Conditions	1,942,000	1,973,738	1,967,521	-	6,217
Occupational Education	283,550	283,550	283,550	-	-
Teaching - Special School	4,000	-	-	-	-
Instructional Media	569,300	538,072	487,037	-	51,035
Pupil Services	751,750	711,342	671,143	1,271	38,928
Total Instruction	8,601,650	8,625,246	8,442,896	22,560	159,790
Pupil Transportation	752,300	745,492	640,504	-	104,988
Community Services	-	-	-	-	-
Employee Benefits	3,603,236	3,603,236	3,464,760	-	138,476
Debt Service	1,985,548	1,985,548	1,985,546	-	2
Total Expenditures	17,122,834	17,319,638	16,905,184	25,472	388,982
OTHER FINANCING USES					
Transfers to Other Funds	118,000	118,000	114,422	-	3,578
Total Expenditures & Other Uses	17,240,834	17,437,638	17,019,606	25,472	\$ 392,560
Net Change in Fund Balance	-	-	(200,531)		
Fund Balance - Beginning		-	3,442,578		
Fund Balance - Ending	\$ -	\$ -	\$ 3,242,047		

Note to required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Required Supplemental Schedule

**Bemus Point Central School District
Schedule of Contributions
For the Year Ended June 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 596,698	\$ 562,327	\$ 576,751	\$ 511,985	\$ 482,952	\$ 462,684	\$ 542,486	\$ 482,332	\$ 575,518
Contributions in relation to the contractually required contribution	596,698	562,327	576,751	511,985	482,952	462,684	542,486	482,332	575,518
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractually required employee payroll	5,902,057	5,761,548	5,621,355	5,224,337	5,067,702	5,222,167	5,108,154	4,921,755	4,910,563
Contributions as a percentage of covered employee payroll	10.11%	9.76%	10.26%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%
Contractually required contribution									
Contractually required contribution	\$ 299,572	\$ 255,429	\$ 190,125	\$ 250,422	\$ 237,368	\$ 234,407	\$ 229,595	\$ 229,253	\$ 231,314
Contributions in relation to the contractually required contribution	299,572	255,429	190,125	250,422	237,368	234,407	229,595	229,253	231,314
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractually required employee payroll	\$ 2,077,572	\$ 1,976,661	\$ 1,815,848	\$ 1,703,340	\$ 1,750,937	\$ 1,773,238	\$ 1,676,852	\$ 1,632,007	\$ 1,523,201
Contributions as a percentage of covered employee payroll	14.4%	12.9%	10.47%	14.70%	13.56%	13.22%	13.69%	14.05%	15.19%

See paragraph on supplementary schedules included in auditors' report .

Bemus Point Central School District
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025

NYSLRS Pension Plan
For the Years Ended June 30, 2016 through June 30, 2025

TRS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Proportion of the Net Position (Asset) liability	0.031750%	0.030348%	.029491%	.029857%	.030767%	.030603%	.030215%	.030988%	0.031084%	0.031154%
Proportionate Share of the Net Position (Asset) liability	\$ (900,315)	\$ 347,052	\$ 565,892	\$ (5,173,946)	\$ 850,180	\$ (795,071)	\$ (549,374)	\$ (235,539)	\$ 332,922	\$ (3,235,911)
Covered-employee Payroll	\$ 5,902,057	\$ 5,761,548	\$ 5,224,337	\$ 5,067,702	\$ 5,222,167	\$ 5,108,154	\$ 4,921,755	\$ 4,910,563	\$ 4,796,561	\$ 4,679,760
Proportionate share of the net pension (asset) liability as a percentage of its covered-employee payroll	-15.25%	6.02%	10.83%	-102.10%	16.28%	-15.56%	-11.16%	-4.80%	6.94%	-69.15%
Plan fiduciary net position as a percentage of the total pension asset or liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

ERS	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date	3/31/2025	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016
Proportion of the Net Position Liability	.0058700%	.0060096%	.0058022%	.0056227%	.0052684%	.0053146%	.0056285%	.004984%	.0053179%	.0053735%
Proportionate Share of the Net Position (Asset) Liability	\$ 1,006,453	\$ 884,859	\$ 1,244,221	\$ (459,633)	\$ 5,246	\$ 1,407,336	\$ 398,795	\$ 160,861	\$ 499,681	\$ 862,466
Covered-employee Payroll	\$ 2,077,572	\$ 1,976,661	\$ 1,815,848	\$ 1,703,340	\$ 1,750,937	\$ 1,773,238	\$ 1,676,852	\$ 1,632,007	\$ 1,523,201	\$ 1,517,298
Proportionate share of the net pension liability/asset as a percentage of its covered-employee payroll	48.44%	44.77%	68.52%	-26.98%	0.30%	79.37%	23.78%	9.86%	32.80%	56.84%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%

SUPPLEMENTARY SCHEDULES

Bemus Point Central School District
Schedule of Change from Adopted Budget to Final Budget
And the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 17,240,834
Add: Prior year's encumbrances	71,804
Add: Appropriated Reserves	125,000
Original Budget	17,437,638
Final Budget	\$ 17,437,638

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter approved expenditure budget	\$ 17,676,555
Maximum allowed 4% of 2025-2026 budget	\$ 707,062

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

Unrestricted fund balance:	
Assigned fund balance	\$ 607,122
Unassigned fund balance	687,257
Total Unrestricted fund balance	<u>1,294,379</u>
Less:	
Appropriated fund balance	581,650
Encumbrances included in assigned fund balance	25,472
Total adjustments	<u>\$ 607,122</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 687,257</u>
Actual percentage	3.89%

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

Bemus Point Central School District
Schedule of Capital Projects Fund - Project Expenditures and Financing Resources
For the Year Ended June 30, 2025

OBJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures		Unexpended Balance	Methods of Financing			Total
			Prior Years'	Current Year		Proceeds of Obligations	State Aid	Local Sources	
	317,485	901,583	317,485	584,098	901,583	876,016	-	-	876,016
	100,000	100,000	-	100,000	100,000	-	-	100,000	100,000
Bond Act Project	412,462	411,842	237,043	174,799	411,842	-	411,842	-	411,842
Improvement project	2,430,000	2,430,000	118,642	149,962	268,604	2,130,000	-	300,000	2,430,000
	\$ 3,259,947	\$ 3,843,425	\$ 673,170	\$ 1,008,859	\$ 1,682,029	\$ 3,006,016	\$ 411,842	\$ 400,000	\$ 3,819,868

Less: Bond anticipation notes outstanding

See paragraph on supplementary schedules included in auditors' report.

Bemus Point Central School District
Net Investment in Capital Assets
For the Year Ended June 30, 2025

Capital Assets, net		\$ 24,230,874
Deduct:		
Bond anticipation notes payable	(3,142,000)	
Short-term portion of bonds payable	(1,060,000)	
Long-term portion of bonds payable	(8,112,244)	
Less unspent proceeds:		
Reserve for debt	848,431	
		(11,465,813)
Net Investment in Capital Assets		\$ 12,765,061

BEMUS POINT CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2025



Independent Auditor's Report

The Board of Education of the
Bemus Point Central School District

Qualified Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the Bemus Point Central School District for the year ended June 30, 2025, and the related notes to the financial statement. In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the basis for qualified opinion paragraph, the financial statement referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of Bemus Point Central School District, for the year ended June 30, 2025 on the basis of accounting described in Note 1.

Basis for Qualified Opinion

The records of the Extraclassroom funds of the Bemus Point Central School District were not adequate to permit the application of adequate auditing procedures to indicate whether all receipts were recorded.

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 Bemus Point 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 qualified 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 Bemus Point Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards

will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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 Bemus Point 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 Bemus Point 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 October 15, 2025, on our consideration of the Bemus Point 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 Bemus Point 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 Bemus Point Central School District's internal control over financial reporting and compliance.


Bahgat & Laurito-Bahgat,
Certified Public Accountants, P.C.
Fredonia, New York

October 15, 2025

Bemus Point Central School District
Extraclassroom Activity Funds
Statement of Receipts and Disbursements
For the Year Ended June 30, 2025

	Balance 6/30/2024	Receipts	Disbursements	Balance 6/30/2025
Athletic Club	\$ 53	\$ -	\$ 53	\$ -
Bowling	-	13	-	13
Class of 2024	12	1,739	1,751	-
Class of 2025	9,183	26,685	35,191	677
Class of 2026	14,066	5,674	3,902	15,838
Class of 2027	2,333	2,631	1,086	3,878
Class of 2028	5,388	3,963	1,576	7,775
Class of 2029	2,988	2,420	521	4,887
Class of 2030	184	3,309	2,130	1,363
Class of 2031	-	75	4	71
E Sports	83	-	83	-
FineArts	8,329	1,379	2,246	7,462
Foreign Language Club	2,046	1,228	2,431	843
Library Club	-	-	-	-
Honor Society	1,507	4,423	4,064	1,866
President's Cabinet	-	-	-	-
Sales tax	1,730	1,686	1,769	1,647
Student Council	5,765	2,920	2,831	5,854
Technology Club	3,743	5	349	3,399
Wellness	-	-	-	-
Yearbook	7,066	5,590	5,987	6,669
Totals	\$ 64,476	\$ 63,740	\$ 65,974	\$ 62,242

**Bemus Point Central School District
Extraclassroom Activity Funds
Notes to Financial Statements
For the Year Ended June 30, 2025**

Note 1 - Summary of Certain Significant Accounting Policies

Basis of Accounting

The Extraclassroom Activity Funds of the Bemus Point Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The transactions of the Extraclassroom Activity Funds are independent with respect to its financial transactions, and the designation of student management and the cash and investment balances are reported in the Special Revenue fund of the District.

The books and records of the School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed.

Reporting Entity

The transactions of the Extraclassroom Activity Funds are included in the reporting entity of the School District. Such transactions are included in the basic financial statements of the School District and are reported in the Miscellaneous Special Revenue Fund. Exclusion from the School District's financial statements, due to their nature and significance of their relationship with the primary government, would cause the reporting entity's financial statements to be misleading or incomplete. The Extraclassroom Activity Funds represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The activities included in this report were formed only for educational and school activity purposes in accordance with School District rules and regulations for the conduct, operation, and maintenance of the Extraclassroom Activities.

Cash

The School District's Extraclassroom Activity Funds' cash consists of cash on hand and demand deposits. New York State law governs the School 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. Obligations that may be pledged as collateral are obligations of the United States and its agencies, and obligations of New York State or its localities. Demand deposits at year-end were entirely covered by FDIC. At June 30, 2025, cash consisted of cash on hand and demand deposit accounts.



**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**

The Board of Education of the
Bemus Point Central School District
Bemus Point, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bemus Point Central School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Bemus Point Central School District's basic financial statements and have issued our report thereon dated October 15, 2025 (which the report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 101, Compensated Absences).

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bemus Point 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 Bemus Point Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bemus Point Central School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that we consider to be a significant deficiency as described in the accompanying schedule of findings as item 2025-001.

Report on Compliance and Other Matters

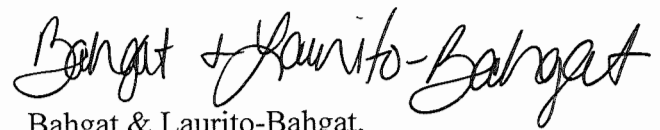
As part of obtaining reasonable assurance about whether Bemus Point Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Bemus Point Central School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the *Bemus Point Central School District's* response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. *Bemus Point Central School District's* response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Bahgat & Laurito-Bahgat,
Certified Public Accountants, P.C.
Fredonia, New York

October 15, 2025

Bemus Point Central School District Schedule of Findings Year Ended June 30, 2025

Financial Statement Findings Section

Significant Deficiencies:

A. Internal Control over Financial Reporting

2025-001 – Preparation of District Financial Statements, Note Disclosures and Adjusting Journal Entries

Condition: The external auditors prepared a draft of the financial statements, proposed adjusting journal entries and note disclosures, which were accepted by the District for the fiscal year ended June 30, 2025. Some of the adjustments and note disclosures are related to converting to the full accrual method of accounting for GASB 34 reporting purposes.

Criteria: The District should review and accept all proposed adjusting journal entries, note disclosures and draft of the financial statements.

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

Recommendation: We recommend that while the external auditors may continue providing assistance with the preparation of the financial statements, the District should continue to review and accept all proposed adjusting journal entries, financial statements and note disclosures.

District Response: The District will continue to review and accept all proposed adjusting journal entries, note disclosures and draft of the financial statements.

Bemus Point Central School District Summary Schedule of Prior Audit Findings Year Ended June 30, 2025

Section III – Summary Schedule of Prior Audit Findings

2024-001 – Preparation of District Financial Statements, Note Disclosures and Adjusting Journal Entries

Summary of Prior Year Finding: 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, 2025 as finding 2025-001.

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 Bemus Point Central School District, Chautauqua County, New York (the “Issuer”) in connection with the issuance of its [\$2,030,000] School District Serial Bonds, 2026 (such Bonds, including any interests therein, being collectively referred to herein as the “Security”). The Issuer hereby covenants and agrees as follows:

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

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

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

reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

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

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

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

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

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

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

Section 2. Definitions

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

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

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

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

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

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

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

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

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

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

Section 3. Annual Financial Information. (a) The required Annual Financial Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer’s final official statement relating to the Security under the headings “THE DISTRICT”, “DEMOGRAPHIC AND STATISTICAL INFORMATION”, “INDEBTEDNESS OF THE DISTRICT”, “FINANCES OF THE DISTRICT”, “REAL PROPERTY TAX INFORMATION” and “LITIGATION” and all Appendices (other than “APPENDIX C”); which Annual Financial Information may, but it is not required to, include audited financial statements.

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

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

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

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

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

(a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to adjust the Report Date if the Issuer changes its fiscal year; provided that such new date shall be within nine months after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration;

(f) to modify the contents, presentation and format of the Annual Financial Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(g) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 6 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 7. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 8. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 9. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the seal of the Issuer to this Disclosure Undertaking as of [June 16, 2026].

By: SPECIMEN
President of the Board of Education

(SEAL)

ATTEST:

SPECIMEN
District Clerk